

No. 6763

CCR
1738

United States
Circuit Court of Appeals
For the Ninth Circuit.

MERCHANTS TRUST CO., Trustee of Trust No.
123-B N. S.,

Appellant,

vs.

GALEN H. WELCH, Collector of Internal Revenue, for
the Sixth Collection District of California,

Appellee.


Transcript of Record.

Upon Appeal from the United States District Court for the Southern
District of California, Central Division.

FILED

FEB 29 1932

PAUL P. O'BRIEN,
CLERK



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INDEX.

PAGE

[Clerk's Note: When deemed likely to be of an important nature, errors or doubtful matters appearing in the original record are printed literally in italic; and, likewise, cancelled matter appearing in the original record is printed and cancelled herein accordingly. When possible, an omission from the text is indicated by printing in italics the two words between which the omission seems to occur.]

Answer of Defendant.....	12
Assignment of Errors.....	154
Bond for Costs on Appeal.....	157
Citation	2
Clerk's Certificate	162
Complaint	4
Decision	27
Engrossed Bill of Exceptions.....	30
Stipulation <i>Re</i> Approval of Bill of Exceptions.....	31
Stipulation Relating to Exhibits.....	41
Stipulation of Facts.....	32
Judgment	28
Names and Addresses of Attorneys.....	1
Order Allowing Appeal and Fixing Bond.....	156
Order Approving and Settling Bill of Exceptions.....	151
Petition for Appeal.....	152
Praeipie for Transcript of Record, Amended.....	160
Special Findings of Fact and Conclusions of Law.....	18
Stipulation Waiving Jury.....	17

INDEX TO EXHIBITS.

	PAGE
Exhibit A (Agreement of Sale).....	43
Exhibit B (Declaration of Trust).....	50
Exhibit C-1 (Agreement)	74
Exhibit C-2 (Agreement)	79
Exhibit C-3 (Agreement)	85
Exhibit D (Claim)	91
Exhibit E (Deed)	94
Exhibit F (Assignment of Beneficial Interest).....	97
Exhibit G Collateral Assignment of Beneficial Interest under Trust).....	99
Exhibit H (Trustee Certificate of Beneficial Interest under Trust)	105
Exhibit J (Payments Made by Trustee for Improvements)	107
Exhibit K-1 (Letter April 28, 1922, Tatum to Hellman)	121
Exhibit K-2 (Letter June 27, 1922, Tatum to Hellman)	122
Exhibit K-3 (Letter June 30, 1922, Tatum to Hellman)	123
Exhibit K-4 (Letter Nov. 17, 1922, Tatum to Hellman)	123
Exhibit K-5 (Letter Nov. 24, 1922, Tatum to Hellman)	124
Exhibit K-6 (Letter Jan. 10, 1923, Tatum to Hellman)	125
Exhibit K-7 (Letter Feb. 19, 1923, Tatum to Hellman)	126
Exhibit K-8 (Letter Feb. 23, 1923, Tatum to Hellman)	126
Exhibit K-9 (Letter Feb. 24, 1923, So. Calif.-Edison to Hellman)	127

	PAGE
Exhibit K-10 (Letter Mar. 5, 1923, Tatum to Hellman)	128
Exhibit K-11 (Letter Mar. 7, 1923, Bev. Hills Annex Assn. to Hellman).....	128
Exhibit K-12 (Letter Apr. 16, 1926, Hellman to Elliott Horne Co.).....	129
Exhibit K-13 (Letter Mar. 6, 1923, Hellman to Beverly Bills Realty Co.).....	129
Exhibit K-14 (Letter Mar. 31, 1923, Tatum to Hellman)	130
Exhibit K-15 (Letter Apr. 9, 1923, Tatum to Hellman)	131
Exhibit K-16 (Letter Oct. 18, 1923, Tatum to Hellman)	132
Exhibit K-17 (Letter Dec. 19, 1923, Tatum to Hellman)	132
Exhibit K-18 (Letter Dec. 31, 1923, Tatum to Hellman)	133
Exhibit K-19 (Letter Feb. 27, 1924, Francisco & Ellington to Hellman).....	133
Exhibit K-20 (Letter Feb. 27, 1924, Tatum to Hellman)	134
Exhibit K-21 (Letter Mar. 7, 1924, Tatum to Hellman)	135
Exhibit K-22 (Letter May 26, 1924, Tatum to Hellman)	135
Exhibit K-23 (Letter May 16, 1924, Tatum to Hellman)	136
Exhibit K-24 (Letters Sept. 12, 1924-Oct. 1, 1924, Tatum to Hellman).....	136
Exhibit K-25 (Letter Oct. 23, 1924, Tatum to Hellman)	138
Exhibit K-26 (Letter Mar. 14, 1925, Francisco & Ellington to Hellman).....	138

	PAGE
Exhibit K-27 (Letter Mar. 27, 1925, Tatum to Hellman)	139
Exhibit K-28 (Letter, Tatum to Hellman).....	140
Exhibit K-29 (Letter Jan. 15, 1926, Tatum to Hellman)	141
Exhibit K-30 (Letter Apr. 16, 1926, Hellman to Elliott Horne Co.)	141
Exhibit K-31 (Letter Nov. 24, 1926, Tatum to Merchants N. T. Bank).....	142
Exhibit K-32 (Letter Sept. 10, 1926, Tatum to Hellman)	143
Exhibit K-33 (Letter Sept. 26, 1927, Tatum to Merchants N. T. Bank.....	143
Exhibit K-34 (Letter Sept. 6, 1927, Inter-office Communication)	145
Exhibit K-35 (Receipt, Engineering Services).....	146
Exhibit L (Schedule of Cash Distributions).....	147
Exhibit M (Subscription and Beneficial Assessment)..	149

Names and Addresses of Attorneys.

For Plaintiff and Appellant:

MILLER, CHEVALIER, PEELER & WILSON,
ESQS.

Title Insurance Building;

GIBSON, DUNN & CRUTCHER,
Banks-Huntley Building,
Los Angeles, California.

For Defendant and Appellee:

SAMUEL W. McNABB, ESQ.,
United States Attorney,

ALVA C. BAIRD, ESQ.,
Assistant United States Attorney,
Federal Building, Los Angeles, California.

United States of America, ss:

To GALEN H. WELCH, Collector of Internal Revenue
for the Sixth Collection District of California, and
SAMUEL W. McNABB, United States Attorney,
—GREETING:

You are hereby cited and admonished to be and appear at a United States Circuit Court of Appeals for the Ninth Circuit, to be held at the City of San Francisco, in the State of California, on the 7th day of March, A. D. 1932, pursuant to Order Allowing Appeal filed in the Clerk's Office of the District Court of the United States, in and for the Southern District of California, in that certain cause entitled "Merchants Trust Company, Trustee of Trust No. 123-B N. S., v. Galen H. Welch, Collector of Internal Revenue for the Sixth Collection District of California," No. 3811-H, wherein Merchants Trust Company, Trustee of Trust No. 123-B N. S., is the Plaintiff and Appellant, and you as Defendant and Respondent are to show cause, if any there be, why the Judgment and Decree heretofore entered on February 5th, 1932 in the said Order Allowing Appeal mentioned, should not be corrected, and speedy justice should not be done to the parties in that behalf.

WITNESS, the Honorable Geo. Cosgrave United States District Judge for the Southern District of California, this 8th day of February, A. D. 1932, and of the

Independence of the United States, the one hundred and fifty-sixth.

Geo. Cosgrave

U. S. District Judge for the Southern District of
California.

RETURN ON SERVICE OF WRIT

UNITED STATES OF AMERICA,)
) ss:
Southern District of Cal)

I hereby certify and return that I served the annexed Citation on the therein-named Galen H. Welch, Collector of Internal Revenue for the 6th District of Calif. by handing to and leaving a true and correct copy thereof with E. M. Cohee, Chief Deputy to same personally at Los Angeles in said District on the 9th day of Feb. A. D., 1932.

A. C. Sittel

U. S. Marshal

By Charles E. Rice

Deputy

[Endorsed]: Marshal's Civil Docket No 12738 In the United States Circuit Court of Appeals for the Ninth Circuit Merchants Trust Company, Trustee of Trust No. 123-B N. S., plaintiff and appellant vs. Galen H. Welch, Collector of Internal Revenue for the Sixth Collection District of California, defendant and respondent. Citation Filed Feb. 12, 1932 R. S. Zimmerman, Clerk By B. B. Hansen Deputy Clerk.

IN THE UNITED STATES DISTRICT COURT IN
AND FOR THE SOUTHERN DISTRICT OF
CALIFORNIA, CENTRAL DIVISION.

MERCHANTS TRUST COMPANY, :

Trustee of Trust No. 123-B N. S., :

Plaintiff, :

: At Law

-v-

: No. 3811-H

:

GALEN H. WELCH, Collector of In- :

ternal Revenue for the Sixth Collec- :

tion District of California, :

Defendant. :

COMPLAINT

COMES NOW the Plaintiff, and as a cause of action against the Defendant, Galen H. Welch, alleges:

I.

That the jurisdiction of this court is dependent upon a Federal question, in that the cause arises under the laws of the United States pertaining to Internal Revenue, to-wit: the Revenue Acts of 1926 and 1928.

II.

The Trustee herein is a corporation organized under the laws of the State of California, and authorized to act as trustee for express trusts, and is now the Trustee of Trust No. 123-B. N. S. as hereinafter referred to, and for the beneficiaries thereof.

III.

That the Defendant, Galen H. Welch, has been since April 3, 1926, and is now the duly commissioned and acting Collector of Internal Revenue for the Sixth Collection District of California, pursuant to the laws of the

United States, and resides and has his office in the City of Los Angeles, County of Los Angeles, State of California.

IV.

That this action is brought against the Defendant as an officer acting under and by virtue of the Revenue Acts of 1926 and 1928 on account of acts done under color of his office and of the Revenue Laws of the United States as will hereinafter more fully appear.

V.

On, to-wit, the 9th day of May, 1922, the Merchants Trust Company entered into an agreement—a copy of which is attached hereto as Exhibit “A”, and made a part hereof—with the Hellman Commercial Trust & Savings Bank, a corporation, to purchase certain real property situated in Los Angeles County, California. The agreement to purchase was entered into by the Merchants Trust Company acting for and at the instance and request of certain persons hereinafter referred to as buyers. The Merchants Trust Company as trustee executed a declaration of trust, dated the first day of July, 1922, in which the Hellman Commercial Trust & Savings Bank was designated as trustor, and in which certain individuals named in the declaration of trust, a copy of which is attached hereto as Plaintiff’s Exhibit “B” and made a part hereof, were named as beneficiaries.

VI.

Said declaration of trust above referred to was entered into for the purpose of securing the unpaid balance of the purchase price of the real property mentioned in said contract dated May 9, 1922, attached hereto as Exhibit “A”, together with other amounts which had been or

might be advanced in connection therewith, and also for the further purpose of facilitating the transfer of title of portions thereof. In addition, said declaration of trust secured to any purchaser of a portion of the trust property a clear title upon completion of payments.

VII.

Between July 1, 1922 and January 1, 1928, the Trustee had entered into contracts for the sale of certain portions totaling a substantial part of the real property conveyed to the Trustee herein. The contracts referred to above required the purchase price to be paid in installments over varying periods of time ranging from one to four years. Under the terms of said contracts no title was conveyed to the purchaser until payments had been completed. A typical contract of sale is attached hereto, as Plaintiff's Exhibit "C", and is made a part hereof.

VIII.

During the calendar year 1928, the activities of the Trustee were substantially devoted to the collection of sums due under contracts entered into prior to January 1, 1928, for the sale of certain portions of the trust property.

IX.

The sale of real estate on contracts such as those employed by the Trustee herein, and the collection of amounts provided by said contracts covering a considerable period of time, was, during the year 1928, and prior and subsequent thereto, hazardous. In certain instances, owing to the failure of the purchaser to complete payments, the Trustee was required to repossess the property so sold.

X.

As a result of the hazards referred to above, during 1928 and prior and subsequent thereto, it was impossible to determine whether or not the trust and/or the beneficiaries thereof realized any profit from the sale of said trust property or portions thereof until the cost, including all selling expenses of the entire trust property, had been recovered, and in no event was any taxable profit realized by the trust and/or the beneficiaries thereof from the sale of any lot or portion of said trust property, until the cost of the entire trust property had been recovered in cash.

XI.

From the inception of the trust to December 31, 1928, and prior and subsequent thereto, the books and records of the trust had been and are now being kept on the basis of actual cash receipts and disbursements. During the years 1923, 1924, 1925, 1926, and 1927, the said Trustee, on behalf of said trust, filed returns with the Collector of Internal Revenue for the Sixth Collection District of California, on Form #1041, as a trust under the provisions of Section 219 of the Revenue Acts of 1921, 1924, and 1926.

XII.

On or about March 13, 1929, the Commissioner of Internal Revenue ruled that the Plaintiff herein was transacting business in the form and manner ordinarily adopted by corporations, and that it constituted, during the year 1928, an association, and was taxable for said period as a corporation, and directed said Trustee to file on behalf of said trust a return for the calendar year 1928, on Form #1120, the income tax return employed by corporations, and to pay tax on any income shown thereon at the rate of

12 per centum. In addition, the Commissioner of Internal Revenue directed the Trustee to compute the income of said trust on the theory that a measure of profit was realized by the trust on the sale of each individual lot or parcel of the trust property, and that a measure of profit was received from each collection made by said trust during the calendar year 1928, without regard to whether or not the cost of the entire property of the trust had been recovered in cash.

XIII.

The Trustee of the Plaintiff herein, under protest and to avoid the imposition of any penalties, complied with the demands of the Commissioner of Internal Revenue as set forth in the preceding paragraph of this Complaint, and on, to-wit, the 13th day of March, 1929, filed with the Defendant herein, as Collector of Internal Revenue for the Sixth Collection District of California, a tentative income tax return for the calendar year 1928, on corporate form #1120, and applied for and received an extension to May 15, 1929, in which to file a final return; and on April 18, 1929, filed a completed return for the calendar year 1928 on corporation form #1120, and paid thereon, under specific protest and duress, on, to-wit, April 18, 1929, to the Defendant, as income taxes, the amount of \$5,712.65. In determining the income of said trust for the calendar year 1928, the Trustee of the Plaintiff likewise under protest complied with the demands of the Commissioner of Internal Revenue and computed the profit of the trust for the year 1928 on the basis directed by the Commissioner of Internal Revenue as set forth in detail above.

XIV.

Thereafter, on to-wit, April 18, 1929, in accordance with the law and the regulations, the Trustee filed with the Commissioner of Internal Revenue, through the Defendant, its claim for the refund of said taxes so erroneously assessed and paid by the Plaintiff for the calendar year 1928. The basis of said claim for refund was the same as set forth in this Complaint, and as shown in the attached copy, marked Plaintiff's Exhibit "D".

XV.

That more than six months have elapsed since the filing of said claim for refund, and no action relative thereto has been taken by the Defendant, by the Commissioner of Internal Revenue, or by any authorized agent of either.

XVI.

The Plaintiff did not transact business in 1928, or prior or subsequent thereto, or employ the form or manner of organization ordinarily adopted by corporations, and was not an association taxable as a corporation during the calendar year 1928, or any part thereof, and was not subject to tax as a corporation during all or any part of said calendar year 1928, and the Commissioner of Internal Revenue erred in requiring the Plaintiff to file a return as a corporation for said year and to pay any tax for said year.

XVII.

The Commissioner of Internal Revenue erred in requiring the Plaintiff, even assuming without conceding said Plaintiff to be taxable as a corporation for the calendar year 1928, to compute or report its profit on the basis that a profit or loss was realized upon the sale of each individual lot or parcel of the trust property, and the Commis-

sioner of Internal Revenue erred in not permitting said trust to compute and report its profit, if any, if, as, and when the entire cost of said property, including all selling expenses, had been recovered from actual collections.

XVIII.

That Defendant erroneously and unlawfully collected and is now erroneously and unlawfully withholding said taxes in the amount of \$5,712.65 from the Plaintiff, and is indebted to the Plaintiff in said sum, plus interest at the rate of six per centum per annum from April 18, 1929, the date of the payment by Plaintiff; and though often demanded the Defendant has not nor has anyone for him repaid, refunded, or credited said sum or any part thereof to the Plaintiff, and the claim of Plaintiff herein is the sole property of Plaintiff and has not been sold, transferred, or assigned to any person or individual.

WHEREFORE, Plaintiff prays for judgment against the Defendant in the amount of \$5,712.65, plus interest at six per centum from April 18, 1929, together with costs of suit.

MILLER, CHEVALIER, PEELER & WILSON,

By Dana Latham

By Joseph D. Peeler

By Melvin D. Wilson

GIBSON, DUNN & CRUTCHER,

By Henry F. Prince

Attorneys for Plaintiff.

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

L. S. Colyer, being first duly sworn, on oath deposes and says:

That he is Secretary of Merchants Trust Company, Trustee of Trust #123-B N. S., and as such he has authority to verify the foregoing Complaint; that he has read the said Complaint and that the facts therein contained are true to the best of his knowledge and belief.

L. S. Colyer

Subscribed and sworn to before me this 21st day of November, A. D. 1929.

Emil Baruch

Notary Public in and for the County of Los Angeles,
State of California.

[Seal]

[Endorsed]: At Law No. 3811-H In the United States District Court in and for the Southern District of California, Central Division. Merchants Trust Company, Trustee of Trust No. 123-B, N. S. plaintiff, v. Galen H. Welch, Collector of Internal Revenue for the Sixth Collection District of California, defendant. Complaint. Filed Nov. 22, 1929 R. S. Zimmerman, Clerk, by Edmund L. Smith, Deputy Clerk. Miller, Chevalier, Peeler & Wilson, 819 Title Insurance Bldg., Los Angeles, California, attorneys for plaintiff.

IN THE DISTRICT COURT OF THE UNITED
STATES IN AND FOR THE SOUTHERN
DISTRICT OF CALIFORNIA
CENTRAL DIVISION

MERCHANTS TRUST COM-)	
PANY, Trustee of 'Trust No.)	
123-B N. S.,)	
Plaintiff,)	AT LAW
)	No. 3811-H
vs.)	
)	ANSWER OF
GALEN H. WELCH, Collector)	DEFENDANT
of Internal Revenue for the Sixth)	WELCH.
District of California,)	
)	
Defendant.)	

COMES NOW the defendant, Galen H. Welch, and in answer to the above complaint, admits, denies and alleges, to-wit:

I.

Answering Paragraph I of plaintiff's complaint, defendant admits the allegations contained therein.

II.

This defendant has no information upon which to base a belief as to the allegations contained in Paragraph II, and upon that ground denies each and every allegation contained therein.

III.

Answering Paragraph III of plaintiff's complaint, defendant admits the allegations contained therein.

IV.

This defendant has no information upon which to base a belief as to the allegations contained in Paragraph IV,

and upon that ground denies each and every allegation contained therein.

V.

This defendant has no information upon which to base a belief as to the allegations contained in Paragraph V, and upon that ground denies each and every allegation contained therein.

VI.

This defendant has no information upon which to base a belief as to the allegations contained in Paragraph VI, and upon that ground denies each and every allegation contained therein.

VII.

This defendant has no information upon which to base a belief as to the allegations contained in Paragraph VII, and upon that ground denies each and every allegation contained therein.

VIII.

This defendant has no information upon which to base a belief as to the allegations contained in Paragraph VIII, and upon that ground denies each and every allegation contained therein.

IX.

This defendant has no information upon which to base a belief as to the allegations contained in Paragraph IX, and upon that ground denies each and every allegation contained therein.

X.

This defendant has no information upon which to base a belief as to the allegations contained in Paragraph X, and upon that ground denies each and every allegation contained therein.

XI.

This defendant has no information upon which to base a belief as to the allegations contained in Paragraph XI, and upon that ground denies each and every allegation contained therein.

XII.

Answering the allegations contained in Paragraph XII, this defendant admits that on or about March 13th, 1929, the Commissioner of Internal Revenue ruled that the plaintiff herein was transacting business in the form and manner ordinarily adopted by corporations and that it constituted, during the year 1928, an association and was taxable for said period as a corporation. Defendant further admits that on or about the said 13th day of March, 1929, the Commissioner of Internal Revenue directed that the said Trustee file, on behalf of said trust, a return for the calendar year 1928 on Form 1120, and to pay tax on any income shown thereon at the rate of 12 per centum. Defendants denies each and every other allegation contained in said paragraph.

XIII.

Answering the allegations contained in Paragraph XIII, this defendant admits that on or about April 18th, 1929 plaintiff filed a completed return for the calendar year 1928 on corporation form 1120, and paid thereon, on said date, to the said defendant, as income tax, the amount of Five Thousand Seven Hundred and Twelve and 65/100 Dollars (\$5,712.65). Defendant denies each and every other allegation contained in said paragraph.

XIV.

This defendant has no information upon which to base a belief as to the allegations contained in Paragraph XIV,

and upon that ground denies each and every allegation contained therein.

XV.

Answering Paragraph XV of plaintiff's complaint, defendant admits the allegations contained therein.

XVI.

Answering Paragraph XVI of plaintiff's complaint, defendant denies each and every allegation contained therein.

XVII.

Defendant denies generally and specifically each and every allegation contained in Paragraph XVII. Defendant admits that it has not repaid to plaintiff the sum of Five Thousand Seven Hundred Twelve and 65/100 Dollars (\$5,712.65), but denies each and every other allegation in said paragraph.

WHEREFORE, defendant respectfully prays that plaintiff take nothing by its complaint; that judgment be rendered for the defendant and that the defendant have its costs of suit.

SAMUEL W. McNABB

United States Attorney.

Harry Graham Balter

HARRY GRAHAM BALTER

Assistant United States Attorney.

UNITED STATES OF AMERICA,)

Southern District of California)

: ss.

HARRY GRAHAM BALTER, being first duly sworn, deposes and says: that he is an Assistant to the United States Attorney for the Southern District of California,

and one of the attorneys for the defendant in the within entitled action; that he has read the foregoing answer and knows the contents thereof; that the same is true of his own knowledge, except as to the matters which are herein stated on his information or belief, and as to those matters that he believes it to be true.

Harry Graham Balter

HARRY GRAHAM BALTER

SUBSCRIBED and SWORN to before me this 26th day of December, 1929.

R. S. Zimmerman,

Clerk, U. S. District Court, Southern
District of California

By Edmund L. Smith, Deputy

[Seal]

[Endorsed]: At Law No. 3811-H In the District Court of the United States for the Southern District of California Central Division Merchants Trust Company, Trustee of Trust No. 123-B N. S., Plaintiff, vs. Galen H. Welch, Collector of Internal Revenue for the Sixth District of California, Defendant. Answer of Defendant Welch. Received copy of within answer this 28 day of December, 1929 Miller, Chevalier, Peeler & Wilson By Melvin D. Wilson Attorney for Plaintiff Filed Dec. 28, 1929 R. S. Zimmerman, Clerk By Edmund L. Smith, Deputy Clerk.

IN THE DISTRICT COURT OF THE UNITED
STATES IN AND FOR THE SOUTHERN
DISTRICT OF CALIFORNIA
CENTRAL DIVISION

MERCHANTS TRUST COMPANY,)	
Trustee of Trust No. 123-B N. S.,)	
)
	) Plaintiff,)
vs.)
)
	) At Law
GALEN H. WELCH, Collector of)	No. 3811-H.
Internal Revenue for the Sixth Dis-)	
trict of California,)	
)
	) Defendant.)

STIPULATION WAIVING JURY

We, the Attorneys for the respective parties, hereby waive the trial to the jury of this cause and agree to submit the same to the Court without the intervention of a jury.

DATED: December 21, 1929.

MILLER, CHEVALIER, PEELER & WILSON

By Melvin D. Wilson

Attorneys for Plaintiff

DATED: December 23, 1929.

SAMUEL W. McNABB

United States Attorney

By Harry Graham Balter

Assistant United States Attorney

Attorneys for Defendant.

[Endorsed]: At Law No. 3811-H In the District Court of the United States in and for the Southern District of California Central Division Merchants Trust Company, Trustee of Trust No. 123-B N. S., Plaintiff, vs. Galen H. Welch, Collector of Internal Revenue for the Sixth District of California, Defendant. Stipulation Waiving Jury Filed Dec 23 1929 R. S. Zimmerman R. S. Zimmerman, Clerk. Miller, Chevalier, Peeler & Wilson 819 Title Insurance Building Los Angeles, California. Attorneys for Plaintiff.

IN THE DISTRICT COURT OF THE UNITED
STATES IN AND FOR THE SOUTHERN
DISTRICT OF CALIFORNIA
CENTRAL DIVISION

MERCHANTS TRUST COMPANY, (
Trustee of Trust No. 123-B N. S.,)	
	(
	Plaintiff,)
	(
vs.	At Law -
	) No. 3811-H.
	(
GALEN H. WELCH, Collector of)	
Internal Revenue for the Sixth Col- (
lection District of California,)	
	(
	Defendant.)

SPECIAL FINDINGS OF FACT AND
CONCLUSIONS OF LAW

This cause came on regularly for trial on the 16th day of June, 1931, before the Court sitting without a jury, trial by jury having been waived by written stipulation of

the parties hereto; plaintiff appearing by Miller, Chevalier, Peeler & Wilson, through Melvin D. Wilson, Esq., and Gibson, Dunn & Crutcher, through Henry F. Prince, Esq., its attorneys, and the defendant appearing by Samuel W. McNabb, United States Attorney for the Southern District of California, Ignatius F. Parker, Assistant United States Attorney for said District, and Alva C. Baird, Special Attorney, Bureau of Internal Revenue; the case having been submitted on a written Stipulation of Facts, briefs having been filed and the Court having fully considered the same, the Court hereby adopts the facts stipulated in writing as its Special Findings of Fact and particularly those enumerated below, and adopts the Conclusions of Law hereinafter indicated:

I.

H. H. Cotton, who had been engaged in the real estate business in and around the City of Los Angeles, California, for a great many years, entered into a contract with the Rodeo Land and Water Company to purchase a tract of land comprising approximately 190 acres, for the sum of \$242,314. The purchase contract was transferred to the Hellman Commercial Trust & Savings Bank as Trustee, and the trust was designated 123.

II.

One C. C. C. Tatum desired to purchase a portion of the land involved in Trust 123 for the purpose of subdivision and sale, and interested nineteen other persons, including H. H. Cotton, and caused the Merchants Trust Company to enter into a contract to purchase approximately 136½ acres of the land from the Hellman Commercial Trust & Savings Bank for the sum of \$320,785. H. H. Cotton, as the principal beneficiary of Trust 123,

approved the contract for the seller, and C. C. C. Tatum approved the contract for the buyer. The Merchants Trust Company held the purchase contract as Trustee for the 20 persons interested in the enterprise. The Trust was designated as Trust No. 123-B. N. S. The last named Trust, a copy of which was attached to and made a part of plaintiff's complaint, was executed on the 1st day of July, 1922. The tract of 136½ acres acquired by the Merchants Trust Company, as Trustee, acting for the syndicate of 20 persons, referred to above, was located within what is now the present corporate limits of the City of Beverly Hills, California. The motivating purpose of this Trust was to subdivide into city lots, improve and sell the tract, above referred to, to the profit of the beneficiaries interested therein.

III.

Both H. H. Cotton and C. C. C. Tatum were substantially interested in the Trust as beneficiaries. The latter individual became exclusive sales agent for the Trust, and was authorized to and did promote the enterprise of improving, subdividing and selling the property.

IV.

The amount to be paid for the one hundred thirty-six and one-half acres involved, was \$320,785.00, payable in five (5) yearly installments, the first of which became due in May, 1923. All of the installments were for the sum of \$50,000, each, except the last and final payment, which became due on May 9, 1927, which was for the sum of \$70,785. All of the deferred payments bore interest from May 9, 1922 at the rate of six per cent (6%) payable semi-annually.

V.

There were associated with Mr. Tatum and Mr. Cotton in this enterprise, eighteen (18) other beneficiaries, each owning beneficial interests of from five to ten one hundred fiftieths (5 to 10/150ths).

The Court also finds:

VI.

That from the inception of the Trust to December 31, 1928, and prior and subsequent thereto, the books and records of the trust had been and are now being kept on the basis of actual cash receipts and disbursements. During the years 1923, 1924, 1925, 1926 and 1927, the said Trustee, on behalf of said Trust, filed returns with the Collector of Internal Revenue for the Sixth Collection District of California, on Form #1041, as a Trust under the provisions of Section 219 of the Revenue Acts of 1921, 1924, and 1926.

That within one year after the passage of the Revenue Act of 1928, the Trustee filed an election to be taxed under the provisions of Section 704(b) of the Revenue Act of 1928, for all years prior to 1928, and that pursuant to said election the Commissioner of Internal Revenue taxed said Trust as a Trust for those years.

VII.

That the Commissioner of Internal Revenue ruled that the Plaintiff herein was transacting business in the form and manner ordinarily adopted by corporations, and that it constituted, during the year 1928, an association, and was taxable for said period as a corporation, and directed the Trustee to file on behalf of said Trust, a return for the calendar year 1928, on Form #1120, the income tax return employed by corporations, and to pay tax on any income shown thereon at the rate of 12 per centum.

VIII.

That the Trustee of the Plaintiff herein, under protest and to avoid the imposition of any penalties, complied with the demands of the Commissioner of Internal Revenue as set forth in the preceding paragraph, and on the 13th day of March, 1929, filed with the Defendant herein as Collector of Internal Revenue for the Sixth Collection District of California, a tentative income tax return for the calendar year 1928, on Form #1120, and applied for and received an extension to May 15, 1929, in which to file a final return; and on April 18, 1929, filed a completed return for the calendar year 1928 on corporation Form #1120, and paid thereon, under specific protest and duress, on, to-wit, April 18, 1929, to the Defendant, as income taxes for the year 1928, the amount of \$5,712.65, together with interest from March 15, 1929, on one quarter of said amount.

IX.

That thereafter, on, to-wit, April 18, 1929, in accordance with the law and the regulations, the Trustee filed with the Commissioner of Internal Revenue, through the Defendant, its claim for the refund of said taxes paid by the Plaintiff to the Defendant for the year 1928.

X.

That neither the Commissioner of Internal Revenue, nor the Defendant, nor any other authorized agent, acted upon said claim within six months after the filing thereof.

XI.

That the claim is the property of Plaintiff and has not been sold, transferred or assigned to any person or individual.

XII.

That the map indicating the lots and specifying the streets, was recorded June 26, 1922. Such map was prepared in March, 1922, but the surveying of the land and the preparation of the map was paid for by this trust after its execution.

XIII.

That the minimum restrictions to be imposed upon the buyers of lots sold by this Trust, were fixed by the seller of the land to this Trust namely, Hellman Commercial Trust and Savings Bank and Minna A. Newman, who was acting for H. H. Cotton.

XIV.

The Beneficiaries of Trust 123-B N. S. never had a formal meeting at which they voted on any question pertaining to the business of the Trust, or gave instructions to Mr. Tatum or the Trustee. Mr. Tatum has remained the Attorney-in-Fact, and the sales agent since the inception of the trust and has superintended the development of the property and the sale of the lots during that period.

XV.

The Trust never acquired more than the original lots specified and set forth in the Declaration of Trust.

XVI.

The Trust had no specific name other than Trust 123-B N. S., given to it by the Trustee on its records. It had no by-laws, seal, stationery, officers, other than the Attorney-in-Fact and the sales agent, and it did not have any place of business except that the Trustee had its own place of business.

XVII

In 1928, no improvements were made, no maps recorded, and no streets dedicated.

XVIII.

The Trustee required any and all instructions from Mr. C. C. C. Tatum to be given in writing. Mr. Tatum conferred with, and received the approval of the Trustee before making expenditures for improvement, and conferred with, and received the approval of Mr. H. H. Cotton, relative to increasing the minimum building restrictions imposed on lot purchasers.

XIX.

That the total acreage in the lots involved in Trust No. 123-B N. S. was one hundred thirty-six and one-half ($136\frac{1}{2}$) acres within the County of Los Angeles, California, all of said land now being included within the corporate limits of the City of Beverly Hills; that said lots were acquired by Trust No. 123-B N. S. for the purpose of improvement and sale of the lots in the subdivision.

XX.

Units of beneficial interests were sold to the other beneficiaries for the purpose of raising additional capital to facilitate the development, improvement and sale of the tract; all of said beneficiaries purchased said units of beneficial interests for the purpose of making a profit. The beneficiaries received certificates of beneficial interests in the form set forth in Exhibit H. The beneficiaries were entitled to and did receive, upon request, information from the Trustee or the sales agent relative to the development and sale of the lots comprising the tract of land held by the trust.

XXI.

That some of said beneficial interests were sold, transferred and assigned by the holders thereof, or pledged as

collateral security for the payment of money or the performance of other obligations.

XXII.

That the necessary improvement and development made on said tract by said Trust, consisted mainly of grading, rolling and oiling streets, constructing curbs and sidewalks, and installing a water system (including the drilling of wells) for use in the development of the tract and for the domestic use of the lot purchasers.

XXIII.

That a sales office was maintained on said tract by the sales agent, the property advertised for sale, and a force of sales agents engaged who operated under the direction of C. C. C. Tatum; that during the year 1928 the sales force was reduced to that of a tract manager, but that a continuous effort has been made from the inception of the trust, to date, to dispose of the remaining lots in the tract.

XXIV.

The evidence submitted discloses that this syndicate, known as Trust No. 123-B N. S., was, during the taxable year 1928, engaged in business. At the inception of the Trust, there were six hundred eighty-five lots sold. Three of these were sold in 1928, and the Trust had on hand for the purposes of sale, forty-six and one-half ($46\frac{1}{2}$) lots at the close of the last-named year. The management, control and sale of the lots was vested in the beneficiaries, and the Merchants Trust Company, as Trustee, was authorized to act upon the order of the beneficiaries holding a majority of beneficial interests. The beneficiaries appointed C. C. C. Tatum "as their and each of their attorney-in-fact to represent them in all matters affecting said buyers in connection with this Trust", * * *. How-

ever, the Trustee was authorized to act upon the exclusive order of Tatum, subject, however, to the right of the majority of holders of certificates of beneficial interests to remove Tatum as attorney-in-fact. In addition to the initial investment by the holders of certificate of beneficial interests, two assessments were made for the purpose of defraying outstanding obligations, amounting to the sums of \$17,499.27 and \$75,000.99, respectively. For the purpose of making these assessments, assessment notices were sent to the certificate holders. A copy of the form of notice used for this purpose was introduced in evidence as Exhibit "I". A distribution of the proceeds to the holders of certificates of beneficial interests, up to and including December 31, 1928, totaled \$745,900.00.

CONCLUSIONS OF LAW

As conclusions of law from the foregoing facts, the Court determines:

1. That the Plaintiff, Trust No. 123-B N. S., was, during the calendar year 1928, an association within the meaning of the Revenue Act of 1928 and was therefore subject to tax as a corporation under Sections 13 and 701 of the Revenue Act of 1928.

2. That the tax in issue was lawfully collected from the Plaintiff by the Defendant.

3. That upon the pleadings the evidence and the law Plaintiff is not entitled to recover anything from the Defendant and that judgment must be for the Defendant with costs and his disbursements herein.

Dated: This 5th day of February, 1932.

Geo. Cosgrave

UNITED STATES DISTRICT JUDGE.

Approved as to form as provided by Rule 44:

Melvin D. Wilson

Attorneys for Plaintiff.

[Endorsed]: At law. No. 3811-H. In the District Court of the United States, in and for the Southern District of California, Central Division. Merchants Trust Company Trustee of Trust No. 123-B, N. S. plaintiffs, vs. Galen H. Welch, Collector of Internal Revenue for the Sixth Collection District of California, defendant. Special Findings of fact and Conclusions of law. Received copy of the within Special Findings of Fact and Conclusions of Law this 27th day of January, 1932. Miller, Chevalier, Peeler & Wilson, by Melvin D. Wilson, attorneys for plaintiff. Filed Feb. 5-1932 R. S. Zimmerman, Clerk By Francis E. Cross Deputy Clerk

IN THE DISTRICT COURT OF THE UNITED
STATES FOR THE SOUTHERN DISTRICT
OF CALIFORNIA CENTRAL DIVISION

MERCHANTS TRUST COMPANY,)	
Trustee of 'Trust No. 123-B N. S.,)	
)	
	)	Plaintiff,
	)	At Law
	)	No. 3811-H.
-vs-)	
	)	DECISION.
GALEN H. WELCH, Collector of)	
Internal Revenue for the Sixth Col-)	
lection District of California,)	
)	
	)	Defendant.
)	

Judgment is ordered for defendant on authority of Security First National Bank of Los Angeles vs. Galen H. Welch, No. 6582, decided by the U. S. Circuit Court of Appeals, Ninth Circuit, December 7, 1931.

Defendant will prepare and present findings.

Dated this 21st day of December, 1931.

Geo. Cosgrave,
U. S. District Judge.

Filed Dec. 21 1931

R. S. Zimmerman Clerk
By Francis E. Cross
Deputy Clerk

IN THE DISTRICT COURT OF THE UNITED
STATES IN AND FOR THE SOUTHERN
DISTRICT OF CALIFORNIA
CENTRAL DIVISION

MERCHANTS TRUST COM-	(
PANY, Trustee of Trust No.)	
123-B N. S.,	(
)	
Plaintiff,)	
	(	At Law-No. 3811-H.
vs.)	
	(
GALEN H. WELCH, Collector)	
of Internal Revenue for the	(	JUDGMENT.
Sixth Collection District of)	
California,)	
Defendant.)	
	(

The above entitled cause came on regularly for trial on the 16th day of June, 1931, before the Court sitting without a jury, trial by jury having been waived by written stipulation of the parties hereto; plaintiff appearing by Miller, Chevalier, Peeler & Wilson, through Melvin D. Wilson, Esq., and Gibson, Dunn & Crutcher, through Henry F. Prince, Esq., its attorneys, and the defendant appearing by Samuel W. McNabb, United States Attorney for the Southern District of California, Ignatius F.

Parker, Assistant United States Attorney for said District, and Alva C. Baird, Special Attorney, Bureau of Internal Revenue; the case having been submitted on a written Stipulation of Facts, briefs having been filed, and the cause having been submitted for decision, and the Court having heretofore made and caused to be filed herein its written Findings of Fact and Conclusions of Law, and being fully advised in the premises:

IT IS ORDERED, ADJUDGED and DECREED that the plaintiff take nothing by its complaint and that judgment be entered against the plaintiff and in favor of the defendant, together with his costs and disbursements incurred in said action as provided by law and taxed by the Clerk of this Court in the sum of \$15.50.

Dated: This 5th day of February, 1932.

Geo. Cosgrave

UNITED STATES DISTRICT JUDGE.

Approved as to Form as provided by Rule 44:

Melvin D. Wilson

Attorney for Plaintiff.

JUDGMENT ENTERED FEBRUARY 5 1932.

R. S. ZIMMERMAN, Clerk

By Francis E. Cross

Deputy Clerk

[Endorsed]: At Law—No. 3811-H. In the District Court of the United States, in and for the Southern District of California, Central Division. Merchants Trust Company, Trustee of Trust No. 123-B N. S. plaintiff, vs. Galen H. Welch, Collector of Internal Revenue for the Sixth District of California, defendant. Judgment Received copy of the within Judgment this 28th day of January, 1932. Miller, Chevalier, Peeler & Wilson, by Melvin D. Wilson attorneys for plaintiff. Filed Feb. 5-1932 R. S. Zimmerman, Clerk By Francis E Cross Deputy Clerk

IN THE DISTRICT COURT OF THE UNITED
STATES FOR THE SOUTHERN DISTRICT OF
CALIFORNIA CENTRAL DIVISION

MERCHANTS TRUST COM-)	
PANY, Trustee of Trust No.)	
123-B N. S.,)	
)	
	)	Plaintiff,
)	
vs.	)	At Law No. 3811-H.
)	
GALEN H. WELCH, Collector)	
of Internal Revenue for the)	
Sixth Collection District of)	
California,)	
)	
	)	Defendant.

ENGROSSED BILL OF EXCEPTIONS

BE IT REMEMBERED, that on the 16th day of June, 1931, the above entitled cause came on for trial before this Court, Honorable George Cosgrave presiding, the Court sitting without a jury, trial by jury having been waived in writing by counsel for the respective parties.

The case was submitted on a written stipulation of facts, and a further stipulation introducing into evidence numerous documents. Briefs were filed and the cause submitted for decision.

Plaintiff appeared by Messrs. Miller, Chevalier, Peeler & Wilson, by Melvin D. Wilson, Esq., and Messrs. Gibson, Dunn & Crutcher, by Henry F. Prince, Esq., and the Defendant appeared by Samuel W. McNabb, United States Attorney for the Southern District of California, Ignatius F. Parker, Assistant United States Attorney for

said District, and Alva C. Baird, Special Attorney, Bureau of Internal Revenue.

The parties introduced into evidence a stipulation as to certain facts which had been agreed upon by both parties, which Stipulation is attached hereto and hereby made a part of this Engrossed Bill of Exceptions.

The parties further introduced into evidence a Stipulation Relating to Exhibits, together with exhibits lettered "A" to "N". The said Stipulation and Exhibits "A" to "M", inclusive, are attached hereto and hereby made a part of this Engrossed Bill of Exceptions.

After the Court made a minute order finding for the Defendant and instructing the Defendant to prepare and file his special findings of fact and denying the Plaintiff's request for special findings of fact, the Plaintiff filed written exceptions, which Exceptions on Behalf of Plaintiff are attached hereto and hereby made a part of this Bill of Exceptions. The Court allowed the exceptions as shown therein.

The Special Findings of Fact and Conclusions of Law proposed by Plaintiff and denied by the Court, of which denial the Plaintiff took an exception, are attached hereto and made a part hereof.

STIPULATION RE APPROVAL OF BILL OF EXCEPTIONS

It is hereby stipulated and agreed by and between Attorneys for Plaintiff and Defendant that the foregoing Bill of Exceptions has been presented in time, that it contains all evidence given, and proceedings had in the trial of this action material to the appeal of Plaintiff, and that it may be approved, allowed and settled by the Judge in the above entitled Court as correct in all respects, and that the same shall be made a part of the record in said case and be the bill of exceptions therein, and that said

Bill of Exceptions may be used by either Plaintiff or Defendant upon any appeal taken by either Plaintiff or Defendant.

DATED: February 10th, 1932.

MILLER, CHEVALIER, PEELER & WILSON

By Melvin D Wilson

Attorneys for Plaintiff.

SAMUEL W. McNABB,

United States Attorney,

Ignatius F Parker

By Alva C Baird

Assistant United States Attorneys,

Attorneys for Defendant.

IN THE UNITED STATES DISTRICT COURT
IN AND FOR THE SOUTHERN DISTRICT
OF CALIFORNIA CENTRAL DIVISION

MERCHANTS TRUST COM-)

PANY, Trustee of Trust No.)

123-B N. S.)

At Law No. 3811-H

)

Plaintiff,)

vs.)

GALEN H. WELCH, Collector)

STIPULATION

of Internal Revenue for the)

Sixth Collection District of)

California,)

)

Defendant.)

IT IS HEREBY STIPULATED, by and between the respective parties hereto, through their respective counsel, MESSRS. MILLER, CHEVALIER, PEELER & WILSON, for the Plaintiff, and SAMUEL W. McNABB,

Esq., United States District Attorney, CLYDE THOMAS, Assistant United States District Attorney, and ALVA C. BAIR, Special Attorney for the Bureau of Internal Revenue, for the Defendant, that the following statements are true and correct and may be used as agreed evidence in this case without prejudice to the right of either party to introduce additional evidence not contradictory to the statements contained in this Stipulation:

I.

From the inception of the Trust to December 31, 1928, and prior and subsequent thereto, the books and records of the trust had been and are now being kept on the basis of actual cash receipts and disbursements. During the years 1923, 1924, 1925, 1926 and 1927, the said Trustee, on behalf of said Trust, filed returns with the Collector of Internal Revenue for the Sixth Collection District of California, on Form #1041, as a Trust under the provisions of Section 219 of the Revenue Acts of 1921, 1924, and 1926.

That within one year after the passage of the Revenue Act of 1928, the Trustee filed an election to be taxed under the provisions of Section 704(b) of the Revenue Act of 1928, for all years prior to 1928, and that pursuant to said election the Commissioner of Internal Revenue taxed said Trust as a Trust for those years.

II.

That the Commissioner of Internal Revenue ruled that the Plaintiff herein was transacting business in the form and manner ordinarily adopted by corporations, and that it constituted, during the year 1928, an association, and was taxable for said period as a corporation, and directed the Trustee to file on behalf of said trust, a return for

the calendar year 1928, on Form #1120, the income tax return employed by corporations, and to pay tax on any income shown thereon at the rate of 12 per centum.

III.

That the Trustee of the Plaintiff herein, under protest and to avoid the imposition of any penalties, complied with the demands of the Commissioner of Internal Revenue as set forth in the preceding paragraph, and on the 13th day of March, 1929, filed with the Defendant herein, as Collector of Internal Revenue for the Sixth Collection District of California, a tentative income tax return for the calendar year 1928, on Form #1120, and applied for and received an extension to May 15, 1929, in which to file a final return; and on April 18, 1929, filed a completed return for the calendar year 1928 on corporation Form #1120, and paid thereon, under specific protest and duress, on, to-wit, April 18, 1929, to the Defendant, as income taxes for the year 1928, the amount of \$5,712.65, together with interest from March 15, 1929, on one-quarter of said amount.

IV.

That thereafter, on, to-wit, April 18, 1929, in accordance with the law and the regulations, the Trustee filed with the Commissioner of Internal Revenue, through the Defendant, its claim for the refund of said taxes paid by the Plaintiff to the Defendant for the year 1928.

V.

That neither the Commissioner of Internal Revenue, nor the Defendant, nor any other authorized agent, acted upon said claim within six months after the filing thereof.

VI.

That the claim is the property of Plaintiff and has not been sold, transferred or assigned to any person or individual.

VII.

That the map indicating the lots and specifying the streets, was recorded June 26, 1922. Such map was prepared in March 1922, but the surveying of the land and the preparation of the map was paid for by this trust after its execution.

VIII.

That the minimum restrictions to be imposed upon the buyers of lots sold by this Trust, were fixed by the seller of the land to this Trust namely, Hellman Commercial Trust and Savings Bank and Minna A. Newman, who was acting for H. H. Cotton.

IX.

The Beneficiaries of Trust 123-B N. S. never had a formal meeting at which they voted on any question pertaining to the business of the Trust, or gave instructions to Mr. Tatum or the Trustee. Mr. Tatum has remained the Attorney-in-Fact, and the sales agent since the inception of the trust and has superintended the development of the property and the sale of the lots during that period.

X.

The Trust never acquired more than the original lots specified and set forth in the Declaration of Trust.

XI.

The Trust had no specific name other than Trust 123 B. N. S., given to it by the Trustee on its records. It had no by-laws, seal, stationery, officers, other than the At-

torney-in-Fact and the sales agent, and it did not have any place of business except that the Trustee had its own place of business.

XII.

In 1928, no improvements were made, no maps recorded, and no streets dedicated.

XIII.

The Trustee required any and all instructions from Mr. C. C. C. Tatum to be given in writing. Mr. Tatum conferred with, and received the approval of the Trustee before making expenditures for improvement, and conferred with, and received the approval of Mr. H. H. Cotton relative to increasing the minimum building restrictions imposed on lot purchasers.

XIV.

That the total acreage in the lots involved in Trust No. 123-B N. S. was one hundred thirty-six and one-half ($136\frac{1}{2}$) acres within the County of Los Angeles, California, all of said land now being included within the corporate limits of the City of Beverly Hills; that said lots were acquired by Trust No. 123-B N. S. for the purpose of improvement and sale of the lots in the subdivision.

XV.

Units of beneficial interests were sold to the other beneficiaries for the purpose of raising additional capital to facilitate the development, improvement and sale of the tract; all of said beneficiaries purchased said units of beneficial interests for the purpose of making a profit. The beneficiaries received certificates of beneficial interests in the form set forth in Exhibit H. The beneficiaries were entitled to and did receive, upon request, information

from the Trustee or the sales agent relative to the development and sale of the lots comprising the tract of land held by the trust.

XVI.

That some of said beneficial interests were sold, transferred and assigned by the holders thereof, or pledged as collateral security for the payment of money or the performance of other obligations.

XVII.

That the necessary improvement and development made on said tract by said Trust, consisted mainly of grading, rolling and oiling streets, constructing curbs and sidewalks, and installing a water system (including the drilling of wells) for use in the development of the tract and for the domestic use of the lot purchasers.

XVIII.

That a sales office was maintained on said tract by the sales agent, the property advertised for sale, and a force of sales agents engaged who operated under the direction of C. C. C. Tatum; that during the year 1928 the sales force was reduced to that of a tract manager, but that a continuous effort has been made from the inception of the trust, to date, to dispose of the remaining lots in the tract.

XIX.

That Mr. H. H. Cotton, a beneficiary of the trust and a real estate operator of many years experience in the vicinity of Los Angeles would, were he called as a witness in this case, subject to the objection by the Defendant as set forth below, testify as follows:

Q. You are familiar with these trust forms, Mr. Cotton?

A. Yes.

Q. How long to your knowledge have they been used in and about Los Angeles?

A. To my knowledge, the first time they were used by myself was in 1906.

Q. What were the circumstances?

A. Prior to the time that the trust form was used the custom in this country was to buy a piece of land by the subdivider on a small payment and give an obligation back in the shape of a mortgage or a trust deed which covered the entire property. Then the subdivider would subdivide the property up and issue his own contracts to the purchasers subject to the lien of the first mortgage or trust deed, and, generally without stating so in the contracts, collect the money and use it as he saw fit. And generally there were not proper release clauses in the mortgage. In other words, they were generally sold, not by lots, but by large parcels or acreages, or in larger amounts, and it was a kind of an absolute dependence upon the honesty and integrity and ability of the subdivider as to whether the purchaser would ever get a title or not, because if there was any default in any way under the underlying obligation, the whole property would revert to the original seller, and the purchaser would be foreclosed, as he only held such title as the purchaser or subdivider had. This happened in a great many cases in California. About this time a Mr. Carlson was subdividing the Redondo Villa Tract, and one of our title companies here, in order to save the situation, had to go in and pay the entire original lien, so as to give the purchasers their titles. This was the first time I had ever heard of the so-called subdivision trust.

In the general run of this type of activity, the property, generally by a small payment on the part of the purchaser or subdivider, was deeded by the owner to a responsible bank or trust company with instructions on his

part as to how the property was to be disposed of, and with instructions on the part of the purchaser or subdivider to the trustee as to his method of handling the property. And the subdivider sold the property and turned in his sales to the trustee, and, provided they were within the instructions of the original owner, the trustee executed the contracts, collected the moneys, distributed the money as provided by the instructions of the seller and the buyer, liquidated the transaction by giving a deed to the purchaser, and, finally, closed the trust at the expiration of the deal when all the property was disposed of or all that was contemplated to be disposed of. And then he either deeded the remaining property to the buyer or the seller as and in case the instructions provided.

Q. Did you find, Mr. Cotton, from your experience that the trust device such as you have described remedied the difficulties you referred to previously?

A. It remedied it in whole, because a responsible issuing company such as a bank or trust company would not issue a contract unless they had specific instructions from the original owner that, provided the contract was carried out for the second purchaser or the purchaser under the subdivider, that they could deliver a deed to him on the same condition on which the contract was issued. As soon as this method of doing business came into use it very soon became impossible to dispose of any land under subdivision agreements in this community without the contracts being issued by a trust company or by a bank of responsibility because people very soon became educated to the fact that in one way they were protected and in the other they were not. And I think at the present time it would be very nearly impossible to sell any amount of land in this community without the safeguard of a responsible trustee issuing the contracts.

Q. Do you know of your own knowledge, Mr. Cotton, whether these trust devices have been used in and about Los Angeles continuously from 1906 to the present time?

A. They have been, in ever-increasing quantities.

Q. So now it is the common, recognized method of subdividing real estate in this vicinity?

A. I don't know of my own knowledge of any tracts that are being subdivided in this community that are not being handled that way.

The Defendant objects to the introduction of the above testimony and to each of the foregoing questions upon the ground that the matter sought to be elicited from the witness is irrelevant and immaterial to the case.

XX.

That Mr. Cotton's testimony may, subject to the Court's ruling on the objection of Defendant, be considered as having been testified to upon the trial of this case.

IT IS FURTHER STIPULATED that should the Court overrule the objection to the introduction of the testimony of Mr. Cotton, that the Defendant may have an exception on such ruling.

DATED: June 15, 1931.

MILLER, CHEVALIER, PEELER & WILSON

By Melvin D. Wilson

Attorneys for Plaintiff.

SAMUEL W. McNABB

United States Attorney

By Ignatius F. Parker

Assistant United States Attorney

Alva C. Baird

Alva C. Baird

Special Attorney

Bureau of Internal Revenue

Attorneys for Defendant.

IN THE UNITED STATES DISTRICT COURT IN
AND FOR THE SOUTHERN DISTRICT OF
CALIFORNIA CENTRAL DIVISION

MERCHANTS TRUST COM-)	
PANY, Trustee of Trust No.)	
123-B N. S.,)	
)	
	)	Plaintiff,
	)	At Law No. 3811-H.
)	
vs.	)	STIPULATION
	)	RELATING TO
GALEN H. WELCH, Collector	)	EXHIBITS.
of Internal Revenue for the)	
Sixth Collection District of)	
California,)	
)	
	)	Defendant.

IT IS HEREBY STIPULATED AND AGREED by
and between the respective parties hereto, through their
respective counsel, that:

I.

Exhibits A, B and D, attached to the complaint on file
herein are true and correct copies of the Agreement of
Sale, dated May 9, 1922, the Trust Declaration, and the
Claim for Refund, and that the same may be considered
as having been regularly introduced in evidence in the
above case.

II.

IT IS FURTHER STIPULATED that Exhibits C-1,
C-2 and C-3, and Exhibits E, F, G, H and I, hereinafter
attached, are true and correct copies of the documents used
in connection with the administration of the affairs of said
Trust No. 123-B. N. S.

That Exhibits J (pages 1-10, inclusive), L and M, hereinafter attached, correctly reflect information appearing on the records pertaining to said Trust in the office of the Trustee thereof.

That Exhibit K consists of true copies of letters and correspondence from the files of said Trust, all of which was received or transmitted in due course.

That Exhibit N is a true copy of Trust Declaration No. 123.

IT IS FURTHER STIPULATED AND AGREED that the foregoing Exhibits together with the Stipulation of Facts, dated June 15, 1931 and filed in the office of the Clerk of this Court on June 16, 1931, constitutes all the evidence to be offered in said case, and that the cause may stand submitted, briefs to be filed by the respective parties within such time as the Court may direct.

DATED: 15 day of June, 1931.

Miller Chevalier Peeler & Wilson

By Melvin D. Wilson

Attorneys for Plaintiff.

SAMUEL W. McNABB,

United States Attorney,

IGNATIUS F. PARKER,

Assistant U. S. Attorney,

Alva C Baird

ALVA C. BAIRD,

Special Attorney,

Bureau of Internal Revenue,

Attorneys for Defendant.

Ex. A

AGREEMENT OF SALE

THIS AGREEMENT MADE AND ENTERED INTO this 9th day of May, 1922, by and between the Hellman Commercial Trust and Savings Bank, a corporation, organized and existing under the laws of the State of California, and having its principal place of business in Los Angeles, California, hereinafter called the "Seller", and the Merchants Trust Company, a corporation, likewise organized and existing under the laws of the State of California, and also with its principal place of business in Los Angeles, California, hereinafter called the "Buyer", WITNESSETH:

That the Seller in consideration of the covenants and agreements on the part of the Buyer hereinafter contained, hereby agrees to sell and convey to the Buyer, subject to the terms and conditions hereinafter set out, all that real property situated in the County of Los Angeles, State of California, more particularly described as:

Lots One (1) to Three Hundred Seventy-five (375) and Lots Five Hundred Eighty-seven (587) to Eight Hundred Ninety-six (896) inclusive in Tract 4988, as per map of said Tract recorded in Book 54, page 98 and 99 of Maps, Records of Los Angeles County, California, but reserving all building on said property,

(It is understood, however, that at the date of this agreement said map has not been filed for record and the book and page of recordation may be inserted after the execution hereof, and said lots are a portion of the property conveyed to the said Seller by the Rodeo Land and Water Company by deed dated May 10th, 1922, re-

corded in Book 1018, page 392 Official Records, which also at this time does not appear of record, but which said dates may be inserted herein after that event).

It is further understood and agreed that this Agreement of Sale is made subject to the proportion of taxes for the fiscal year 1922-23, applicable to the aforesaid lots, but which has been assessed to the whole of said property, described in the aforesaid deed, also all future taxes and assessments levied, assessed or to become due against the property hereby agreed to be conveyed as aforesaid, and it is further understood and agreed that while the following exceptions did not appear in the aforesaid deed, this agreement to convey is subject to the following provisions as far as same apply to that portion of the property described in said deed covered by this agreement and which has been agreed to by the Seller with the said Rodeo Land and Water Company, to-wit:

(a) That the Rodeo Land and Water Company reserves the right to maintain a sewer in any roads, highways, etc., (as a condition made by the Rodeo Land and Water Company in consenting to the subdivision of said property) and that the said sewer may have proper and adequate fall for drainage purposes.

(b) That the Rodeo Land and Water Company reserves to itself the water wells situated and now existing in the southwesterly corner of Parcel 2 described in said deed, together with the right of ingress to and egress from and use of all water from said wells with sufficient land around the same to properly operate the wells until the City of Beverly Hills shall have been taken in, annexed to and made a part of the City of Los Angeles, but not exceeding a term of five years from the date

hereof, and upon said City of Beverly Hills being annexed to the City of Los Angeles, or in case such annexation does not take place within five years from the date hereof, then at the end of five years from the date hereof, the water wells above referred to, also the pumping plant, pipe lines and other appliances lying within the land in said deed described and used in connection therewith, shall be and become the property of the Buyer hereunder, or its assigns, providing the Buyer or its assigns are not at that time in default in the payment of any sums of principal or interest payable under the terms hereof or in default in any other covenant or condition upon its part to be performed.

(c) That the Rodeo Land and Water Company reserves to itself, its successors or assigns, the right to construct and maintain at all times and keep in proper repair and to enter upon said land for said purpose, sewer pipe lines of proper size for the purpose of sewer drainage in connection with septic tank or tanks to be operated or maintained on the parcel of land lying immediately south of Parcel 2 described in said deed, and belonging to the said Rodeo Land and Water Company, provided, however, that said sewer pipe lines shall be placed and maintained in any street or alley dedicated for public use, but the right of maintenance and construction shall not be over any of the lots in any subdivision hereafter offered for record, it being understood, however, that the Rodeo Land and Water Company will convey to the Seller herein, or its assigns, an acre of land out of said tract of land lying south of said Parcel 2 described in said deed, to be used by said Seller herein or its assigns for septic tank purposes, together with the

right to ingress to or egress from said acre of land to said Parcel 2, as described in said deed.

The full purchase price of said property agreed to be sold hereby is the sum of Three Hundred Twenty Thousand Seven Hundred Eighty-five (\$320,785.00) Dollars, payable as follows:

Fifty Thousand (\$50,000.00) upon the execution of this agreement, receipt of which is hereby acknowledged, and the balance of said sum, namely Two Hundred Seventy Thousand Seven Hundred Eighty-five (\$270,785.00) Dollars, payable as follows:

\$50,000.00	on	or	before	one	year	from	date	hereof;
\$50,000.00	"	"	"	two	"	"	"	"
\$50,000.00	"	"	"	three	"	"	"	"
\$50,000.00	"	"	"	four	"	"	"	"
\$70,785.00	"	"	"	five	"	"	"	"

with interest at the rate of six per cent per annum on such deferred payments from date hereof, payable semi-annually.

It is further understood and agreed between the parties hereto that in this transaction the said Seller is acting as Trustee for the Rodeo Land and Water Company and Minna A. Newman, she having purchased said property from the Rodeo Land and Water Company, who conveyed said property in trust to the Seller hereunder upon certain provisions of trust set out and declared in its Declaration of Trust No. 123 N. S., to which reference may be had, and there shall be no obligation upon the Seller to act hereunder except in accordance with the terms and provisions of said Declaration of Trust, it being however, further understood that the Merchants Trust Company, the Buyer, has furnished no portion of the purchase

price recited as paid on this contract but that the same was furnished by C. C. C. Tatum and other parties whose names are not ascertainable at this time, but for whose benefit said Tatum has and does hereby assign all interest in his original contract to purchase said property, to the Buyer hereunder and has authorized the making of this contract to said Buyer instead of himself personally, and a Declaration of Trust is to be issued by the said Merchants Trust Company showing that it holds said equitable interest in said property for said parties in the proportions hereafter to be ascertained and that there shall be no obligation upon said Buyer for the payments provided to be made hereunder, except it shall receive the same from its aforesaid beneficiaries or from resale of said property in accordance with the terms of the proposed Declaration of Trust to be issued by it.

It is a further provision hereof that in case the Buyer, acting for its said Beneficiaries, makes sale of any of said lots, that it shall be authorized to call upon the Seller to make deed of conveyance thereof to such person or persons as it may nominate and likewise to make contracts of sale upon lots sold upon deferred payments as it is authorized to do itself under said proposed Declaration of Trust, providing the terms of sale price, and conditions thereof are not in conflict with the aforesaid Declaration of Trust issued by the Seller as Trustee for the Rodeo Land and Water Company and Minna A. Newman, it being further provided that the Seller agrees to release lots and make conveyance thereof to purchasers from the Buyer hereunder upon the fixed release price per lot according to the terms of a schedule of release prices, which shall be \$100.00 per lot more than that fixed

in the Declaration of Trust issued as aforesaid by the Seller to the Rodeo Land and Water Company to which reference may be had.

It is a further provision hereof that before the said Buyer or its Beneficiaries under the proposed Declaration of Trust above referred to, shall commence any improvements in the way of street work or otherwise upon said property, that they shall furnish to the Seller a satisfactory guarantee that no liens shall attach to said property by reason of such improvements and this provision hereof shall be a condition precedent to the performance hereunder by the Seller.

It is understood and agreed that time is of the essence of this agreement and that this agreement is entered into on the part of the Seller only in consideration of the payment of \$50,000.00 hereinbefore referred to, and in case the purchaser fails to make any of the payments of principal or interest promptly, in accordance with the terms and provisions of this agreement, or fails to comply with any of the covenants and conditions upon its part to be performed, then the said Seller shall be released from all obligations in law or equity to convey said property, and the Seller shall have the right immediately and without further notice to terminate all rights of the Buyer under this agreement and to retain for its own use and benefit as rent for the use of said premises and as consideration for entering into this contract, all of the payments made hereunder, and the Buyer further agrees for itself and its beneficiaries under its aforesaid Declaration of Trust, that if for any reason the rights under this agreement are terminated, it will immediately deliver possession of said property (other than such as

may have been released and deeded hereunder) to the Seller and will execute any and all quitclaim deeds, or any other instrument requisite or suitable for the clearing of the title from any cloud thereon, whether caused by this agreement or any act of the Buyer or its assigns while claiming thereunder, or while in possession of said property.

Nothing herein, however, shall in any event be construed to entitle the said Buyer, or its successors or assigns, or beneficiaries under its aforesaid proposed Declaration of Trust, to recover back any sums whatsoever paid under this contract, in accordance with the terms and conditions thereof, and any and all improvements placed upon said property by the Buyer or its assigns or beneficiaries under its aforesaid Declaration of Trust shall become the absolute property of the Seller without any compensation thereof to it or them.

IN WITNESS WHEREOF, the Hellman Commercial Trust and Savings Bank, a corporation, as Seller and the Merchants Trust Company, a corporation as Buyer, has caused their respective corporate names to be affixed hereto under their respective seals by their respective officers thereunto duly authorized the day and year first above written.

HELLMAN COMMERCIAL TRUST
AND SAVINGS BANK

By C. R. Bell

Vice-President.

By H. B. KELLEY

Secretary

MERCHANTS TRUST COMPANY,

By EMANUEL COHEN

President

By W. E. GILL

Secretary

The above contract is hereby approved:

H. H. COTTON

Representing the Seller for its Beneficiaries.

C. C. C. TATUM

Representing himself and the beneficiaries under proposed Declaration of Trust to be issued by the Buyer.

This is certified to be a *trust* and correct copy of the original document held in the trust files of the Bank of America of California.

BANK OF AMERICA OF CALIFORNIA

By A. J. ROBILLARD

Assistant Trust Officer

Ex. "B"

DECLARATION OF TRUST

No. 123-B N. S.

KNOW ALL MEN BY THESE PRESENTS, THAT WHEREAS, on the ninth day of May, 1922, the Merchants Trust Company, a corporation organized and existing under the laws of the State of California and having its principal place of business in Los Angeles, California, (hereinafter referred to as "Trustee"), entered into an agreement with the Hellman Commercial Trust and Savings Bank, a corporation, likewise organized and existing (hereinafter referred to as "Seller") to purchase that certain real property located in the County of Los Angeles, California, described as:

Lots One (1) to Three Hundred Seventy-five (375) inclusive, and Lots Five Hundred Eighty-seven (587) to Eight Hundred Ninety-six (896) inclusive, in Tract 4988,

as per map of said Tract recorded in Book 54, Pages 98 and 99 of Maps, Records of Los Angeles County, California.

(it being understood, however, that at the date of said contract said map was not of record), and that the said Seller reserved all the buildings located on said property and that said sale was made subject to the proportion of taxes for the fiscal year 1922-23 applicable to the aforesaid lots, which had been assessed as a whole with other property described in the deed from the Rodeo Land and Water Company, dated May 10th, 1922, recorded in Book 1018, Page 392 Official Records to the Seller named herein, and that the Rodeo Land and Water Company reserved the right to maintain a sewer in roads or highways shown in said subdivision and also reserved all water wells situated in said property together with the right of ingress to and egress from and the use of all the water from said wells with sufficient land around the same to properly operate the wells until such time as the City of Beverly Hills shall be taken in, annexed to or made a part of the City of Los Angeles, but not exceeding a term of five (5) years from the date of said deed, with a further provision that in case such annexation does not take place within five (5) years from said date, that the wells above referred to, also pumping plant, pipe lines and other appliances lying within the property described herein shall become the property of its Buyer, or their assigns, providing that at that time no default in any of the matters referred to in this Declaration of Trust to be performed by the said Buyer has occurred, also that the said Rodeo Land and Water Company reserved the right to construct and maintain at all times and keep in proper

repair and to enter upon said land for such purposes, sewer pipe lines of proper size for the use of sewer drainage in connection with septic tanks to be operated and maintained on the land lying south of the property herein described and belonging to the Rodeo Land and Water Company, providing however, that said sewer pipe shall be placed and maintained in the streets or alleys in said subdivision, all of which facts are more fully set out in said Agreement to purchase, to which reference may be had, and said sale was made subject thereto, and

WHEREAS, said Agreement to purchase was entered into by the Trustee named herein acting for and at the instance and request of the hereinafter named parties herein referred to as "Buyers", and that all moneys paid on said contract of sale was furnished by said Buyers in the proportion hereinafter set out and no part thereof was furnished by the said Trustee individually, and that said Buyers for the purposes of this Trust shall be considered the beneficiaries hereunder subject to the terms and provisions of said Agreement to purchase in the following proportions, to-wit:

C. C. C. Tatum.....	20/150ths
H. H. Cotton.....	10/150ths
Stanley S. Anderson.....	5/150ths
W. M. Lenz.....	5/150ths
J. A. LeDoux.....	10/150ths
S. M. Folsom.....	5/150ths
Florence F. Gibbons.....	5/150ths
E. J. Gates.....	10/150ths
Arthur H. Rude.....	5/150ths
Byron H. Patterson.....	5/150ths

Tom S. Ingersoll.....	5/150ths
A. J. Felker.....	10/150ths
Van R. Kelsey.....	10/150ths
W. H. Clune.....	5/150ths
Alexander Pattie	10/150ths
Jos. Engert	5/150ths
Andy H. Williams.....	10/150ths
E. T. Keiser.....	5/150ths
W. F. King.....	5/150ths
R. M. Hults.....	5/150ths

and

WHEREAS, There is an unpaid balance of the purchase price to be paid for said property as provided in said contract to purchase, amounting to the sum of Two Hundred Seventy Thousand Seven Hundred Eighty-five (\$270,785.00) Dollars, payable as follows:

\$50,000.00	on or before one	year	from May 9th, 1922
\$50,000.00	“ “ “	two	“ “ “ 9th, 1922
\$50,000.00	“ “ “	three	“ “ “ 9th, 1922
\$50,000.00	“ “ “	four	“ “ “ 9th, 1922, and
\$70,785.00	“ “ “	five	“ “ “ 9th, 1922,

together with interest at the rate of six per cent (6%) per annum on such deferred payments from said date of May 9th, 1922, payable semi-annually, and

WHEREAS, it is provided in said contract to purchase that the Seller herein holds legal title to said property IN TRUST for the Rodeo Land and Water Company, with power of sale, however, subject to the terms and conditions of trust set out in its original Declaration of Trust No. 123 N. S., and that there shall be no obligation on

the Seller herein in carrying out the terms of said contract to purchase above referred to, except in accordance with the terms and provisions of its Declaration of Trust last referred to, and that the terms and provisions of this Declaration of Trust issued by the Trustee herein shall not be in conflict with the terms of the Declaration of Trust above referred to heretofore issued by the Seller as Trustee for the Rodeo Land and Water Company, and in case of any conflict in any minor detail, then the terms of the last named Declaration of Trust shall govern the situation.

NOW, THEREFORE, This Declaration of Trust witnesseth, certifies and declares that the said Merchants Trust Company, as Trustee aforesaid, holds and shall continue to hold the equitable interest in the aforesaid described property acquired by it by virtue of the aforesaid agreement to purchase IN TRUST, upon the terms, conditions and provisions of trust hereinafter specifically set out to-wit:

FIRST: To make re-sale of said property at prices and upon terms and conditions of sale as directed by the Buyers named as beneficiaries herein, providing at all times that no lot shall be sold at a price less than thirty-five per cent (35%) more than the following schedule of release prices, which schedule of release prices is a fixed, determined and agreed upon price per lot, at which the Seller hereunder agrees to release lots covered by said agreement to purchase, which schedule of release prices shall be as follows:

RELEASE PRICE OF LOTS TRACT 4988
C. C. C. TATUM PURCHASE

					Each
Lots	1 to	11 both inclusive			500
"	12 "	15 "	"	"	700
"	16				1350
"	17 "	20 "	"	"	1000
"	21				1350
"	22 "	26 "	"	"	700
"	27 "	50 "	"	"	500
"	51 "	54 "	"	"	700
"	55				1350
"	56 "	59 "	"	"	1000
"	60				1350
"	61 "	65 "	"	"	700
"	66 "	93 "	"	"	500
"	94 "	97 "	"	"	700
"	98				1350
"	99 "	102 "	"	"	1000
"	103				1350
"	104 "	108 "	"	"	700
"	109 "	140 "	"	"	500
"	141 "	144 "	"	"	700
"	145				1350
"	146 "	149 "	"	"	1000
"	150				1350
"	151 "	155 "	"	"	700
"	156 "	191 "	"	"	500
"	192 "	195 "	"	"	600
"	196				1350
"	197 "	200 "	"	"	1000
"	201				1350
"	202 "	206 "	"	"	700
"	207 "	246 "	"	"	500
"	247 "	250 "	"	"	700

"	251				1350
"	252	"	255	"	1000
"	256				1250
"	257	"	261	"	700
"	262	"	305	"	500
"	306	"	309	"	700
"	310				1250
"	311	"	314	"	1000
"	315				1350
"	316	"	320	"	700
"	321	"	368	"	500
"	369	"	372	"	700
"	373				1350
"	374	"	375	"	1000
"	587	"	588	"	1000
"	589				1350
"	590	"	594	"	700
"	595	"	613	"	500
"	614	"	617	"	700
"	618				1350
"	619	"	622	"	1000
"	623	"			1350
"	624	"	628	"	700
"	629	"	647	"	500
"	648	"	651	"	700
"	652				1350
"	653	"	656	"	1000
"	657				1350
"	658	"	661	"	700
"	662	"	683	"	500
					Each
Lots	684 to 686 both inclusive				700
"	687				1350
"	688	"	691	"	1000
"	692				1350
"	693	"	696	"	700

"	697	"	722	"	"	500
"	723	"	725	"	"	700
"	726					1350
"	727	"	730	"	"	1000
"	731					1350
"	732	"	735	"	"	700
"	736	"	768	"	"	700
"	769					1350
"	770	"	773	"	"	1000
"	774					1350
"	775	"	779	"	"	700
"	780	"	811	"	"	500
"	812	"	815	"	"	700
"	816					1350
"	817	"	820	"	"	1000
"	821					1350
"	822	"	826	"	"	700
"	827	"	862	"	"	500
"	863	"	866	"	"	700
"	867					1350
"	868	"	871	"	"	1000
"	872					1250
"	873	"	877	"	"	700
"	878	"	896	"	"	500

SECOND: Said sales may be either for all cash or under contract on time payments, providing no lot shall be sold for less cash payment than twenty per cent (20%) down and the balance not extending over more than three (3) years from the date of respective contracts. In case of cash sales, the release price shall be paid forthwith and any moneys in excess thereof shall be placed to the credit of the Buyers and in case of sales of lots on contract, seventy-five (75) per cent of the first cash payment shall be placed to the credit of the Buyers and the re-

maining twenty-five (25) per cent of such cash payment to the credit of the Seller to be applied on respective release prices, and thereafter all moneys payable under said contracts of sale shall be divided one-half to the credit of the Buyers and one-half to the credit of the Seller until in this way the Seller shall receive its full release price of respective lots, but in no event shall any lot be conveyed until the full release price thereof has been paid, nor moneys paid to the Buyers from the sale of any lot in excess of an amount which will leave an ample provision for the payment of such release price.

THIRD: All contracts of sale and deeds of conveyance shall be issued in the name of the Seller and same shall be issued by it when and as requested by the Trustee hereunder, and to such purchasers of lots as shall be procured by the Trustee acting for the Buyers.

FOURTH: All moneys received from the sale of lots, either as deposits, first payments on contract or full payments made (in case of cash sales) shall be paid to the Trustee and disbursed by it as above provided, placing proper proportion thereof to the credit of the Buyers named herein and the balance to the Seller, and any conveyance made by the Seller shall vest in its grantee a good and unassailable title clear of any further obligation by the Seller to the Trustee here under or to the Buyers and free and discharged of this trust and from the trust above referred to under which the Seller, acting as Trustee for the Rodeo Land and Water Company, holds title to said property.

FIFTH: The Buyers named herein obligate themselves to pay for all costs of street work or other improvements placed upon said property and before said improve-

ments are commenced, they shall furnish to the Trustee herein a guarantee satisfactory to the Seller, that no liens of any kind or character shall be permitted to be attached to said property by reason of said proposed improvements thereon, and the Buyers shall not enter into any contract in the matter of improvements and sale by them or on their behalf, of said property, or any part thereof, or the doing of any street work thereon whereby a lien might be attached to said property or any part thereof, without having first obtained the consent of the Trustee and the Seller.

SIXTH: The Buyers shall be privileged to retain possession of said property and have the management and control thereof as long as there is no default in the provisions of this Declaration of Trust, or in the provisions of the aforesaid contract to purchase, subject, however, in all matters to the provisions of this trust and the provisions of the said contract to purchase, and for the purpose of making sale of said lots said Buyers may select and employ such agent, agents or sub-agents as they deem fit, providing the same are not objectionable to the Trustee and to the Seller, but any such agent, agents or sub-agents so employed at the request of and with the consent of said Buyers, shall be construed to be the agents of the Buyers and not the agents of the Seller or the Trustee and the Seller and Trustee or either of them shall not be liable or bound by any action of such agent or agents unless specifically authorized by them respectively, nor for any wrong-doing, misappropriation or misconduct of any such agent or sub-agent.

SEVENTH: The Buyers hereby specifically covenant and agree to pay all taxes and assessments of every kind

hereafter levied or assessed or to become due against said property, including the taxes for the fiscal year 1922-23, and their failure to do so shall be construed as a default hereunder and in case of such default, either the Seller or the Trustee may, but without any obligation upon them or either of them so to do, pay such taxes or assessments and the amount so paid shall become immediately due and payable by the Buyers, together with interest on the amount so advanced at the rate of one per cent (1%) per month until repaid, and the Buyers severally agree to repay the amount of any and all advancements made by the Trustee or by the Seller for their benefit, or for the benefit of or on account of said property either as aforesaid or for improvements made or to be made thereon, immediately and upon demand, together with interest thereon aforesaid, and any moneys in the hands of the Trustee realized from the sale of said lots or otherwise standing to the credit of the Buyers in excess of the respective release prices of respective lots may be used by the Trustee in its discretion for the payment of interest, taxes or street work or other improvements done on said property when and as the same become due without specific order of the Buyers to that effect, and the Trustee may pay agents' commissions from the moneys realized from the sale of said lots or said property, standing to the credit of the Buyers in accordance with the terms of the hereinafter sales agency provisions set out herein, and the Buyers hereby severally obligate themselves to pay to the Trustee its fees and charges as hereinafter provided for, out of any moneys in the hands of the Trustee realized from the sale of said lots standing to their credit and such fees and charges of the Trustee shall become and

constitute a lien upon the interest of the Buyers in said property and upon all funds and securities coming into its hands hereunder standing to the credit of or held for the benefit of the Buyers and upon failure on the part of the Buyers to pay or repay the Trustee said fees and charges upon demand, the Trustee may apply any funds belonging to the said Buyers to the discharge thereof and may sell according to law any such securities and apply the proceeds in liquidation and discharge of such fees and charges, and all advancements made by the Trustee or the Seller shall become and constitute a lien upon the equitable interest in said trust property held by the Trustee, and upon failure on the part of the Buyers to pay or re-pay on demand of the Trustee or Seller, as the case may be, such sums so advanced or upon their failure to pay the Seller the sum of principal and interest due it in accordance with the terms hereof and the said agreement to purchase, or upon their failure to do anything herein provided to be done by them as herein provided, then the Trustee or Seller or either of them, may at their or either of their respective option declare the unpaid principal of said purchase price, together with interest thereon accrued and unpaid, immediately due and payable and may proceed to foreclose the rights of the Buyers hereunder and in said contract to purchase in the manner hereinafter provided.

EIGHTH: All moneys received from the sale of said property for the credit of the Seller on account of the aforesaid release prices of lots shall accumulate in the hands of the Trustee until it has received the sum of One Thousand (\$1,000.00) Dollars, or multiples thereof, whereupon it shall pay said sum so accumulated to the

Seller as a payment on account of the principal sum due it on the unpaid balance of the purchase price of said property and to be credited on the principal of the first installment thereof thereafter becoming due and the interest on such amount so paid shall cease from the time of such payment by the Trustee to the Seller, and from any moneys realized from the sale of said lots or otherwise standing in the hands of the Trustee for the account of the Buyers, the Trustee shall as and when due, pay the amount of interest due the Seller on the unpaid balance of the purchase price without any specific order to that effect from the Buyers. After full payment of the purchase price and interest thereon has been made to the Sellers and any advancements made by it together with interest thereon as aforesaid, have been fully paid, then all restraint hereinabove or hereinafter imposed on the Buyers in the management and sale of said property and improvements made thereon shall cease and determine and all of said property then remaining unsold shall be forthwith conveyed by the Seller to the Trustee named herein and by it held and sold as it may be directed to do by the Buyers and all moneys realized from the residue of the property so conveyed to the Trustee shall be applied by the Trustee as directed by the Buyers, providing all fees of the Trustee and all advancements made by it shall have been paid.

NINTH: The Trustee is authorized as property is sold, to procure at the expense of the Buyers, Certificates of Title to be furnished to the purchasers of lots and in case it is necessary to make escrows in any matter, the Buyers shall pay all fees and charges in connection therewith.

TENTH: No sale or transfer of any beneficial interest whatsoever hereunder shall be valid or binding upon said Trustee unless and until an executed original of assignment or other instrument evidencing such sale or transfer shall have been filed with the Trustee, except only where such interest may pass or be transferred by decree or order of court, and then only upon satisfactory proof of the regularity and validity of such matter being presented to the Trustee and for each such sale or assignment there shall be payable to the Trustee a fee of Five (\$5.00) Dollars in addition to other fees herein provided for.

ELEVENTH: If any property covered hereby or any portion thereof or the proceeds realized from the sale thereof, shall become liable for the payment of inheritance or other taxes, the Trustee is authorized to withhold the amount of such taxes out of the moneys aforesaid in its hands which may be payable to the person or persons liable for such taxes, and charge the same against such person or persons, unless said tax shall have been paid by such person or persons, and if paid by the Trustee such payment shall be deemed as an advancement made hereunder.

TWELFTH: In the management, control and sale of said lots, the Trustee as regards the Buyers aforesaid, is hereby authorized and empowered to act upon the order of the Buyers holding a majority beneficial interest hereunder, and in and when so acting, any such action on the part of the Trustee shall bind conclusively each and all of the Buyers aforesaid, and each of said Buyers do hereby appoint C. C. C. Tatum as their and each of their attorney-in-fact to represent them in all matters

affecting the said Buyers in connection with this trust and the trustee is authorized to act upon the exclusive order of said Tatum and when so acting the Trustee shall be under no liability to the other Buyers whatsoever, but it is further provided that upon notice to the Trustee signed by a majority in interest of said Buyers, removing said Tatum from such position as their attorney in fact, no further orders in that regard shall be accepted by the Trustee.

THIRTEENTH: The Buyers hereunder severally bind themselves to pay as and when due all sums in proportion to their respective beneficial interest as aforesaid, necessary as above set out for the subdivision and improvement of said property and for taxes and for any and all other obligations provided for herein to be paid by them, and also any advancements made for their benefit or for the benefit of the property including the fees, expenses and charges of the Trustee for acting hereunder, immediately and upon demand made upon them by the Trustee, together with interest aforesaid, if any accrued thereon, unless the equivalent thereof shall be standing to their credit realized from the sale of said property, which provision as to the liability of the Buyers under this paragraph shall as a covenant between themselves only, extend to the payment of the unpaid balance of the purchase price of said property, together with interest thereon and in the event that any one of said Buyers named herein shall fail to pay his proportionate share of any such sums as and when the same shall become due and payable or demand therefor shall be made by the Trustee, then the Trustee itself or any one or more of said Buyers shall have the right to advance and pay such share to the end

that said property covered hereby and the trust herein provided for, and all parties interested herein may be protected; and any such sum or sums as advanced and paid for such defaulting Buyer shall bear interest from the date of such advancement until repaid at the rate of one per cent (1%) per month, and in the event of the exercising of such right above mentioned, the Trustee upon its own behalf, or upon the written demand of the party or parties making such payment and without any demand by the Trustee on such defaulting Buyer for the payment or reimbursement of such proportionate share, shall sell the interest of such defaulting Buyer under this trust, which sale shall be made in the following manner:

The Trustee shall first publish notice of the time and place of such sale with a description of the interest so to be sold at least once a week for four successive weeks in some newspaper of general circulation published in the City of Los Angeles, California, and may from time to time postpone such sale by publication of such postponement in the same newspaper in one (1) issue only, or at its option by public announcement of such postponement at the time and place of sale so advertised as aforesaid; and on the date of such sale so advertised, or on the date to which such sale may be postponed, the Trustee may sell said interest so advertised at public auction in said city of Los Angeles, to the highest bidder for cash, and any beneficiary hereunder or any other person may bid and purchase at such sale; and upon such sale the Trustee, after due payment made to it hereunder, may make and deliver to the purchaser at such sale an assignment and transfer of the interest so sold, and thereafter such purchaser shall have the same rights and privileges as the

original Buyer so defaulting as aforesaid, subject, however to all of the terms and conditions of this trust; and each of said Buyers for himself, his heirs and assigns, does hereby convey, assign and transfer to the Trustee any and all right and title whatsoever in and to his beneficial interest hereunder, to enable the Trustee to convey, assign and transfer such interest upon such sale thereof by the Trustee in the event of default as above provided.

Distribution of the proceeds arising from such sale by the Trustee shall be made and applied by the Trustee as follows:

1st. To the payment of the expenses of such sale, including the Trustee's fee of \$100.00, which amount shall be in addition to the fees to it elsewhere herein provided; all to become and be due and payable upon action by the Trustee on its own behalf in such sale, or upon demand being made upon the Trustee for the sale by it of the interest of such defaulting Buyer as hereinabove provided.

2nd. To the person or persons having paid the same, the amount advanced and paid by him or them for such defaulting Buyer as hereinabove provided and interest thereon aforesaid, and the remainder, if any, to the order of the defaulting Buyer. In the event of the sale of such interest aforesaid hereunder of any defaulting Buyer, and execution by the Trustee of assignment and transfer thereof under this trust, then the recitals therein as to default and publication of notice of sale, and demand that such sale be made, postponement of sale, amount and terms of sale, purchaser, payment of purchase money, or any other fact or facts affecting the regularity and validity of such sale, shall be conclusive proof of all facts recited in such assignment and transfer, and any such assignment and

transfer with such recitals therein shall be effectual and conclusive against such defaulting Buyer and all other persons as to all facts recited therein; and the receipt of the purchase money contained in any assignment and transfer executed by the Trustee to the purchaser at such sale as aforesaid shall be sufficient discharge to such purchaser from all obligation to see to the proper application of the purchase money.

FOURTEENTH: It is mutually understood and agreed by all parties hereto that the money heretofore paid on the purchase price of said property under the aforesaid agreement to purchase dated May 9th, 1922, between the Hellman Commercial Trust and Savings Bank, as Seller, and the Merchants Trust Company, as Buyer and named herein as Trustee, and wherein it was agreed that time should be the essence thereof, which provision shall apply to the terms of this instrument, it is further agreed that in case the Buyers hereunder fail to make any or all of the payments of principal or interest provided to be paid hereunder and under said agreement to purchase, promptly and in accordance with the terms and provisions of said agreement to purchase and hereunder or fail to comply with any of the covenants or conditions imposed upon them by the terms hereof, that then the said Seller shall be relieved from all obligation in law or equity from making contracts of sale or any further conveyance of said property and the Trustee named herein may refuse to make further sales of said property, even though demanded to do so by the Buyers, and the Seller shall have the right immediately and without further notice to demand foreclosure of this instrument in the manner hereinafter provided, and the Seller shall retain for its own use

and benefit as rent for the use of said premises and as consideration for entering into this trust all payments then before made under said original agreement of sale or made hereunder and the Buyers further agree that in the event of such foreclosure that they will deliver possession of said property, except such part as has then before been sold, to the Seller, and the Trustee hereunder shall execute and deliver to the Seller a quit claim deed or other instrument requisite and suitable for the clearing of the title of said property from any cloud thereon, either caused by this instrument or by the Trustee or Buyers while claiming or while in possession of said property. It is further understood and agreed that the forfeiture of the moneys paid under said original agreement of sale or paid hereunder by the Buyers and the forfeiture of all of their right, title and interest in and to the property herein affected shall be the sole remedy to the Seller against the Buyers personally in case they shall not make the payments herein specified on account of the purchase price of said property, but nothing herein contained shall in any event be construed to entitle said Buyers to recover back any sums provided to be paid under said agreement of sale and this instrument in accordance with the provisions and terms hereof and any and all improvements made or placed upon said property by the Buyers shall become the absolute property of the Seller without any compensation therefor to the Buyers.

FIFTEENTH: At the request of the said Buyers, C. C. C. Tatum is hereby appointed the manager and exclusive selling agent of said property for a term of three (3) years from the date hereof and as compensation therefor he shall receive a commission at the rate of

twenty (20) per cent on the net sales price of respective lots and out of moneys received from the sale of lot or lots standing to the credit of the Buyers aforesaid, he shall be paid one-half of each payment as received, until he shall have received his full twenty per cent.

SIXTEENTH: Should a breach or default be made in the payment of any of the sums secured hereby or herein provided to be paid or repaid by the Buyers hereunder, or should they fail to perform any of their other duties or obligations imposed upon them by the terms of this instrument, then in addition to the other rights of the Seller hereunder as hereinabove provided, and as an additional remedy, the Trustee or Seller hereunder may declare all sums payable hereunder or under said agreement of sale, immediately due and payable, and the Trustee is hereby authorized thereupon to sell the property aforesaid so held in trust in the manner hereinafter provided, and out of the proceeds realized from such sale, after paying the expenses thereof, including attorney's fees, to pay the amount of the unpaid remainder of said purchase price of said property, together with interest accrued thereon, as hereinbefore mentioned and secured hereby. Before making said sale the Trustee shall cause to be filed in the office of the County Recorder of Los Angeles County, California, a notice of such breach and default, and that the Seller elects to have the property described in this Declaration of Trust sold to satisfy the obligations secured hereunder, and three (3) months after the filing of said notice, without demand on the Buyers or any of them, the Trustee may proceed to sell the property aforesaid or any portion thereof, for cash for the highest

price which it is able to obtain, such sale being made in the following manner:

The Trustee shall first publish notice of the time and place of such sale with the description of said property so to be sold, at least once each week for three (3) successive weeks in some newspaper of general circulation printed in the City of Los Angeles, California and notice of such sale shall be posted complying with the laws of California governing sales of real property under execution, and may from time to time postpone said sale by announcement at the time and place of sale fixed or by re-publishing notice of said sale in the same newspaper with the date of postponement attached thereto in one issue only, prior to the date of the postponed sale, and on the date so announced or advertised, or any date to which said sale may be postponed, the Trustee may sell said property or any portion thereof either en masse or in separate parcels, in its own discretion, at public auction, at which sale the Trustee or any *part* hereto may be a purchaser; and after such sale and payment made, the Trustee may execute and deliver a deed or deeds conveying the property so sold to the purchaser or purchasers thereof, but without covenant or warranty expressed or implied, whereupon such purchaser or purchasers shall be let into immediate possession of said property so sold, and all persons in possession thereof shall be deemed to be tenants at sufferance, and the recitals by the Trustee in any such deed or deeds of any or all facts or matters affecting the regularity or validity of any such sale shall be conclusive against all persons, including the Buyers and each of them, and their successors in interest. Such sale, however, shall be made

subject to any outstanding contracts thenbefore made by the Seller for the sale of respective lots aforesaid, but all moneys then remaining unpaid on said lots or any of them thenbefore sold on contract shall become and be due and payable to the purchaser or purchasers of said lot or lots at such sale.

The Trustee out of the proceeds of such sale shall pay:

(a) Expenses of said sale, including counsel's fees and Trustee's fee herein provided for.

(b) All sums which have been paid or advanced under or in accordance with the provisions hereof, and not repaid together with interest aforesaid accrued thereon.

(c) The principal amount due and unpaid to the Seller herein, together with unpaid interest aforesaid accrued thereon.

(d) The remainder of such proceeds, if any to the Buyers, their successors or assigns, according to their respective interests hereunder aforesaid.

SEVENTEENTH: The Buyers shall pay to the Trustee the following fees and compensations for its acceptance of this trust and for acting hereunder:

(a) An installation fee to the Trustee of \$500.00, payable upon the acceptance of this trust.

(b) A fee to the Trustee of \$5.00 per lot for each lot in the aforesaid subdivision, which charge per lot shall cover the cost of making contracts of sale and deeds to purchasers, which the Trustee is authorized to procure from the Seller.

(c) Collection charges payable to the Trustee from the sale price of said lots, which shall be as follows:

One per cent of the amount of all sales for all cash:
two per cent of the amount of all sales, including interest

under contract where deferred payments are not more than five in number and not extending over a period of more than three years from the date of sale; three per cent on the amount of all sales including interest under contracts calling for more than five payments or extending over more than three years.

(d) An annual fee to the Trustee, commencing with the year 1922, of \$300.00 per year as long as the property aforesaid or any portion thereof is held under this trust, but against such annual fee shall be credited all payments on collection charges, as above set out, as and when moneys from that source shall come into the hands of the Trustee, in any one particular year.

(e) A closing fee of \$200.00 to the Trustee upon the closing of this trust.

EIGHTEENTH: The Trustee hereby agrees to act under the terms of this instrument only upon the following conditions:

That except for its willful default or gross negligence, it shall not be liable to anyone and when in its discretion it acts upon advice of legal counsel selected and employed by it in good faith, in accordance with the opinion of such counsel, it shall not be liable for any result of such action; should it be called upon to perform unlooked for or unanticipated duties in connection with this trust not herein specifically provided for, then in addition to the fees above provided for it shall receive a reasonable compensation for the performance and discharge of such duties; all fees to the Trustee provided for hereunder shall be deemed to be earned upon the execution hereof; the Trustee assumes no obligation and shall be under no obligation whatsoever to pay for or on account of any of the Buyers, or said trust

property or to or for the account of anyone whomsoever, any moneys other than as herein specifically provided, except at its option so to do; this trust shall not cease or terminate unless and until the Trustee shall have been paid in full all sums herein provided to be paid to it.

IN WITNESS WHEREOF, the Merchants Trust Company has caused this instrument to be duly executed by its officers thereunto duly authorized under its corporate seal this first day of July, 1922.

MERCHANTS TRUST COMPANY.

[Seal]

By Emanuel Cohen

President.

By W. E. Gill

Secretary.

Approved:.....

Trust Officer.

The above Declaration of Trust is hereby approved, ratified and confirmed as to all of its terms and provisions.

HELLMAN COMMERCIAL TRUST AND
SAVINGS BANK.

By F. K. Hulme

Trust Officer.

We hereby certify that the above Declaration of Trust fully sets out all of the terms and provisions thereof, and we hereby ratify, approve and confirm the same in all its parts and hereby respectively agree to do and perform all and everything therein provided to be done by us respectively.

C. C. C. Tatum

Arthur H. Rude

R. M. Hulst

S. M. Folsom

Alexander Pattie

Andy H. Williams

E. J. Gates	W. F. King
Van R. Kelsey	Stanley S. Anderson
Tom S. Ingersoll	Joseph Engert
by R. S. Ingersoll	A. J. Felker
W. M. Lenz	Edwin T. Keiser
H. H. Cotton	W. H. Clune
By Irving H. Hellman	Byron H. Pattison
Atty-in-fact	by Neil Rasmussen,
J. A. LeDoux	his attorney-in-fact
Florence F. Gibbons	

Trust No. 123-B. N. S.
Residence

EX C-1

THIS AGREEMENT, Made in duplicate this.....day
of....., 19....., between BANK OF AMER-
ICA OF CALIFORNIA, herein called the "Seller" and
herein called the "Buyer".

WITNESSETH: That the Seller, in consideration of
the covenants and agreements hereinafter contained and
made by and on the part of the Buyer, hereby agrees to
sell and convey unto the Buyer, all that real property situ-
ated in the City of Beverly Hills, County of Los Angeles,
State of California, particularly described as and being:

Lot of Tract Number 4988, as per map
thereof recorded in Book 54, Page 99 of Maps in the office
of the County Recorder of said county.

Excepting therefrom, however, an easement in favor of
the Seller, its successors and assigns, for a right of way
over and across the rear four feet of said premises for the

purpose of erecting and maintaining thereon, poles for light, power, telephone and telegraph lines, and for other public utilities;

And the Buyer, in consideration of the premises, agrees to buy and pay to the Seller therefor, in its office at 650 South Spring Street in the City of Los Angeles, California, the sum of

Dollars (\$))

Dollars (\$))

as follows:

upon the execution and delivery of this Agreement, receipt of which is hereby acknowledged, and the further sum of

Dollars (\$))

together with interest from date on unpaid balances, at the rate of seven (7) per cent. per annum, payable quarterly.

Buyer agrees to pay all taxes or assessments of every kind levied, assessed or which may hereafter become due against the said described premises.

No representations, inducements or agreements made by anyone, not specifically set out herein, shall be binding against the Seller.

This agreement is made subject to the following conditions and covenants, which shall be set forth in the deed to be made in pursuance hereof, as follows:

That said premises shall be used for no purpose other than for the erection and maintenance thereon of a first class single private residence, with the customary out-buildings in the rear thereof; that such residence shall cost and be fairly worth not less than \$, and shall face the front line of the lot; that no such residence, nor any projection thereof, other than the front steps, shall be less than twenty-five feet from the front line, nor shall the

same be less than four feet from either side line; that no outbuilding shall be occupied as a dwelling until a residence be in process of erection upon said premises, nor for a period of time longer than is reasonably necessary for the completion of such residence.

That all buildings and fences shall be of new material and, if frame, be painted or stained at least two coats upon completion.

The foregoing stipulations and conditions shall terminate January 1st, 1950, and thereafter be of no further force or effect.

Said premises shall never be conveyed to, or come into the possession of, any person except of the Caucasian race, nor be occupied by such person unless in the employ of the owner or his tenant residing thereon.

The foregoing stipulations and conditions shall be deemed to be covenants running with the land in favor of the Seller, and the breach of any of the same shall cause title to said premises to revert to the Seller, its successors and assigns, each of whom, respectively, shall have the right of immediate re-entry upon said premises.

IT IS UNDERSTOOD AND AGREED that time is of the essence of this Agreement and that such provision shall not be waived if the Seller accept payments hereon after same have become delinquent or gives extensions of time to the Buyer. If the Buyer fails to make any of the payments at the times and in the manner above provided, or fails to comply with any of the terms hereof on his part to be done or performed, then the Seller may declare all moneys provided to be paid hereunder immediately due and payable, and may forthwith proceed to enforce the terms of this Agreement by appropriate action, whereby the

Buyer shall be deemed to have forfeited all rights hereunder and all right to the money theretofore paid upon this Agreement, which money may be retained by the Seller, and the Seller shall be relieved from all obligations in law or equity to convey said property; but the Seller, on receiving the full payments at the times and in the manner above provided, agrees to deliver to the Buyer a good and sufficient deed of conveyance of said premises, and to deliver a Guarantee of Title showing the title to be vested in the Seller free and clear of encumbrance suffered or done by it except as herein mentioned.

Buyer hereby warrants that.....is of legal age at the date of the execution of this agreement.

IN WITNESS WHEREOF, This Agreement has been executed by the Seller by its officers thereunto duly authorized under its seal, and the Buyer has executed the same the day and year first above written.

BANK OF AMERICA OF CALIFORNIA

By.....
Vice-President.

By.....
Asst. Trust Officer

.....
Buyer

.....
Buyer

Address.....

(Reverse of Agreement):

(NOTE: The marital status of the parties to any Assignment must be shown and if Assignor is married the wife or husband must also sign.)

Assignment
Los Angeles, Calif.

.....19.....
For value received, I,.....
.....do hereby grant
and assign to.....
.....all.....right, title
and interest in and to the
foregoing Agreement and in
and to the property therein
described.

Assignee's Acceptance

The undersigned assignee
named in the Assignment of
the foregoing Agreement,
hereby approves and accepts
the same subject to all the
terms, covenants and condi-
tions thereof.

.....
.....
.....Address.....

SELLER'S CONSENT

The BANK OF AMERICA OF CALIFORNIA,
owner of the property described in the foregoing Agree-
ment, hereby consents to the foregoing assignment.

BANK OF AMERICA OF CALIFORNIA
By.....

Trust No. 123-B N. S.
AGREEMENT FOR THE SALE OF REAL
PROPERTY
BANK OF AMERICA OF CALIFORNIA
with

Dated

.....
.....
Lot
Tract No. 4988
BANK OF AMERICA OF CALIFORNIA
650 South Spring Street
Los Angeles, Calif.

All remittances or payments on this contract to be made to
Bank of America of California

PAYMENTS

PAYMENTS
(same as first
column here
shown)

Date	Interest	Amount	Credited on	Balance	Rec'd
Paid	Paid to	Paid	Interest	Principal	By

unpaid balances, at the rate of seven (7) per cent. per annum, payable quarterly.

Buyer agrees to pay all taxes or assessments of every kind levied, assessed or which may hereafter become due against the said described premises.

No representations, inducements or agreements made by anyone, not specifically set out herein, shall be binding against the Seller.

This agreement is made subject to the following conditions and covenants, which shall be set forth in the deed to be made in pursuance hereof, as follows:

That said premises shall be used for no purpose other than for the erection and maintenance thereon of a single private residence, bungalow court, double bungalow, double or duplex house, or flat, to be used exclusively for residence purposes, with the customary outbuildings in the rear thereof; it being provided: that no single residence shall cost or be fairly worth less than Three Thousand Dollars (\$3,000.00); that each dwelling of a bungalow court shall cost and be fairly worth, per family unit thereof, at least One Thousand Two Hundred Dollars (\$1,200.00) per front unit, and that the rear units of such court shall each cost and be fairly worth not less than seventy-five per centum (75%) of the stipulated cost of a front unit, and that any double unit shall cost and be fairly worth not less than seventy-five per centum (75%) of the cost of two single units and that the construction of at least three of the dwellings of a bungalow court shall be commenced and carried on at the same time; that a double bungalow shall cost and be fairly worth not less than Three Thousand Five Hundred Dollars; (\$3,500.00); that a double house or duplex house shall

cost or be fairly worth not less than Four Thousand Five Hundred Dollars (\$4,500.00); that a flat shall cost and be fairly worth not less than Six Thousand Dollars (\$6,000.00).

No outbuilding shall be occupied as a dwelling until a residence be in process of erection upon said premises, nor for a period of time longer than is reasonably necessary for the completion of such residence.

All buildings and fences shall be of new material and, if frame, be painted or stained at least two coats upon completion.

Or for the erection and maintenance thereon of a store or office building, the same to be used or occupied for professional, commercial or mercantile business purposes not prohibited by law or ordinance, except that the second or higher stories of said buildings may be used and occupied as apartments or flats and that living rooms may be constructed in the rear of store or office rooms occupying the first floor of any such building and may be used as living quarters during such time as a professional, commercial or mercantile business is being carried on in the store or office room behind which such living rooms are located. That any such store or office building shall be a first class permanent structure of new material and the exterior walls thereof shall be of brick, tile, concrete or other fire resisting material and the same shall cost and be fairly worth not less than \$

The foregoing stipulations and conditions shall terminate January 1st, 1950, and thereafter be of no further force or effect.

Said premises shall never be conveyed to, or come into the possession of, any person except of the Caucasian

race, nor be occupied by such person unless in the employ of the owner or his tenant residing thereon.

The foregoing stipulations and conditions shall be deemed to be covenants running with the land in favor of the Seller, and the breach of any of the same shall cause title to said premises to revert to the Seller, its successors and assigns, each of whom, respectively, shall have the right of immediate re-entry upon said premises.

IT IS UNDERSTOOD AND AGREED that time is of the essence of this Agreement and that such provision shall not be waived if the Seller accept payments hereon after the same have become delinquent or gives extensions of time to the Buyer. If the Buyer fails to make any of the payments at the times and in the manner above provided, or fails to comply with any of the terms hereof on his part to be done or performed, then the Seller may declare all moneys provided to be paid hereunder immediately due and payable, and may forthwith proceed to enforce the terms of this Agreement by appropriate action, whereby the Buyer shall be deemed to have forfeited all rights hereunder and all right to the money theretofore paid upon this Agreement, which money may be retained by the Seller, and the Seller shall be relieved from all obligations in law or equity to convey said property; but the Seller, on receiving the full payments at the times and in the manner above provided, agrees to deliver to the Buyer a good and sufficient deed of conveyance of said premises, and to deliver a Guarantee of Title showing the title to be vested in the Seller free and clear of encumbrance suffered or done by it except as herein mentioned.

Buyer hereby warrants that _____ is of legal age at the date of the execution of this agreement.

IN WITNESS WHEREOF, This Agreement has been executed by the Seller by its officers thereunto duly authorized under its seal, and the Buyer has executed the same the day and year first above written.

BANK OF AMERICA OF CALIFORNIA

By.....

Vice-President.

By.....

Asst. Trust Officer.

.....
Buyer.

.....
Buyer.

Address.....

(ON REVERSE SIDE)

ALL REMITTANCES OR PAYMENTS ON THIS
CONTRACT TO BE MADE TO BANK OF
AMERICA OF CALIFORNIA

PAYMENTS

PAYMENTS
(same as first
column here
shown)

Date	Interest	Amount	Credited on	Balance	Rec'd
Paid	Paid to	Paid	Interest	Principal	By

Trust No. 123-B N. S.

AGREEMENT FOR THE SALE
OF REAL PROPERTY

BANK OF AMERICA
OF CALIFORNIA
WITH

Dated

Lot.....

TRACT No. 4988

BANK OF AMERICA

of California

650 South Spring Street

Los Angeles, Calif.

(NOTE: The marital status of the parties to any assignment must be shown and if Assignor is married the wife or husband must also sign.)

ASSIGNMENT : ASSIGNEE'S
ACCEPTANCE

Los Angeles, Calif.,.....19.... : The undersigned as-
For value received, I,..... : signee named in the
..... : Assignment of the
do hereby grant and assign to..... : foregoing Agreement,
..... : hereby approves and
all.....right, title and interest : accepts the same sub-
in and to the foregoing Agree- : ject to all the terms,
ment and in and to the property : covenants and condi-
therein described. : tions thereof.

.....

 Address.....

SELLER'S CONSENT

The BANK OF AMERICA OF CALIFORNIA, owner of the property described in the foregoing Agreement, hereby consents to the foregoing assignment.

BANK OF AMERICA OF CALIFORNIA

Bv.....

unpaid balances, at the rate of seven (7) per cent. per annum, payable quarterly.

Buyer agrees to pay all taxes or assessments of every kind levied, assessed or which may hereafter become due against the said described premises.

No representations, inducements or agreements made by anyone, not specifically set out herein, shall be binding against the Seller.

This agreement is made subject to the following conditions and covenants, which shall be set forth in the deed to be made in pursuance hereof, as follows:

That said premises shall be used for no purpose other than for the erection and maintenance thereon of a single private residence, bungalow court, double bungalow, double or duplex house, or flat, to be used exclusively for residence purposes, with the customary outbuildings in the rear thereof; it being provided: that no single residence shall cost or be fairly worth less than Three Thousand Dollars (\$3,000.00); that each dwelling of a bungalow court shall cost and be fairly worth, per family unit thereof, at least One Thousand Two Hundred Dollars (\$1,200.00) per front unit, and that the rear units of such court shall each cost and be fairly worth not less than seventy-five per centum (75%) of the stipulated cost of a front unit, and that any double unit shall cost and be fairly worth not less than seventy-five per centum (75%) of the cost of two single units and that the construction of at least three of the dwellings of a bungalow court shall be commenced and carried on at the same time; that a double bungalow shall cost and be fairly worth not less than Three Thousand Five Hundred Dollars; (\$3,500.00); that a double house or duplex house shall

cost or be fairly worth not less than Four Thousand Five Hundred Dollars (\$4,500.00); that a flat shall cost and be fairly worth not less than Six Thousand Dollars (\$6,000.00).

No outbuilding shall be occupied as a dwelling until a residence be in process of erection upon said premises, nor for a period of time longer than is reasonably necessary for the completion of such residence.

All buildings and fences shall be of new material and, if frame, be painted or stained at least two coats upon completion.

Or for the erection and maintenance thereon of a store or office building, the same to be used or occupied for professional, commercial or mercantile business purposes not prohibited by law or ordinance, except that the second or higher stories of said buildings may be used and occupied as apartments or flats and that living rooms may be constructed in the rear of store or office rooms occupying the first floor of any such building and may be used as living quarters during such time as a professional, commercial or mercantile business is being carried on in the store or office room behind which such living rooms are located. That any such store or office building shall be a first class permanent structure of new material and the exterior walls thereof shall be of brick, tile, concrete or other fire resisting material and the same shall cost and be fairly worth not less than \$

The foregoing stipulations and conditions shall terminate January 1st, 1950, and thereafter be of no further force or effect.

Said premises shall never be conveyed to, or come into the possession of, any person except of the Caucasian

race, nor be occupied by such person unless in the employ of the owner or his tenant residing thereon.

The foregoing stipulations and conditions shall be deemed to be covenants running with the land in favor of the Seller, and the breach of any of the same shall cause title to said premises to revert to the Seller, its successors and assigns, each of whom, respectively, shall have the right of immediate re-entry upon said premises.

IT IS UNDERSTOOD AND AGREED that time is of the essence of this Agreement and that such provision shall not be waived if the Seller accept payments hereon after the same have become delinquent or gives extensions of time to the Buyer. If the Buyer fails to make any of the payments at the times and in the manner above provided, or fails to comply with any of the terms hereof on his part to be done or performed, then the Seller may declare all moneys provided to be paid hereunder immediately due and payable, and may forthwith proceed to enforce the terms of this Agreement by appropriate action, whereby the Buyer shall be deemed to have forfeited all rights hereunder and all right to the money theretofore paid upon this Agreement, which money may be retained by the Seller, and the Seller shall be relieved from all obligations in law or equity to convey said property; but the Seller, on receiving the full payments at the times and in the manner above provided, agrees to deliver to the Buyer a good and sufficient deed of conveyance of said premises, and to deliver a Guarantee of Title showing the title to be vested in the Seller free and clear of encumbrance suffered or done by it except as herein mentioned.

Buyer hereby warrants that _____ is of legal age at the date of the execution of this agreement.

IN WITNESS WHEREOF, This Agreement has been executed by the Seller by its officers thereunto duly authorized under its seal, and the Buyer has executed the same the day and year first above written.

BANK OF AMERICA OF CALIFORNIA

By.....

Vice-President.

By.....

Asst. Trust Officer.

.....

Buyer.

.....

Buyer.

Address.....

(ON REVERSE SIDE)

ALL REMITTANCES OR PAYMENTS ON THIS
CONTRACT TO BE MADE TO BANK OF
AMERICA OF CALIFORNIA

PAYMENTS

PAYMENTS

(same as first
column here
shown)

Date	Interest	Amount	Credited on	Balance	Rec'd
Paid	Paid to	Paid	Interest	Principal	By

Trust No. 123-B N. S.

AGREEMENT FOR THE SALE
OF REAL PROPERTY

BANK OF AMERICA
OF CALIFORNIA
WITH

.....
.....
.....
=====

Dated

Lot.....

TRACT No. 4988

BANK OF AMERICA

of California

650 South Spring Street

Los Angeles, Calif.

(NOTE: The marital status of the parties to any assignment must be shown and if Assignor is married the wife or husband must also sign.)

ASSIGNMENT : ASSIGNEE'S
ACCEPTANCE

Los Angeles, Calif.,.....19.... : The undersigned as-
 For value received, I,..... : signee named in the
 : Assignment of the
 do hereby grant and assign to..... : foregoing Agreement,
 : hereby approves and
 all.....right, title and interest : accepts the same sub-
 in and to the foregoing Agree- : ject to all the terms,
 ment and in and to the property : covenants and condi-
 therein described. : tions thereof.

_____ : _____
 _____ : _____
 _____ : Address _____

SELLER'S CONSENT

The BANK OF AMERICA OF CALIFORNIA, owner of the property described in the foregoing Agreement, hereby consents to the foregoing assignment.

BANK OF AMERICA OF CALIFORNIA

Bv.....

Ex. D.

Exhibit "D"

(EXECUTE SEPARATE FORM FOR EACH TAX
PERIOD)

CLAIM FOR

TREASURY DE-
PARTMENTInternal Revenue
Service

Form 843—Jan., 1922

Comptroller General

U. S.

January 18, 1922

☐ABATEMENT OF TAX
ASSESSED☐CREDIT AGAINST
OUTSTANDING
ASSESSMENTS☐REFUND OF TAXES
ILLEGALLY
COLLECTED☐REFUND OF
AMOUNTS PAID
FOR STAMPS
USED IN ERROR OR
EXCESS

IMPORTANT

File with Collector of
Internal Revenue where
assessment was made.
Not acceptable unless
completely filled in.NOTICE TO
COLLECTORCollector must
indicate in block
above the kind
of claim, except
in Income Tax
cases.Date received by
Administrative
Unit

Stamp here

COLLECTOR'S
NOTATION

District

Account number

Date received

RECEIVED
April 18, 1929
INTERNAL
REVENUE
6th California.
Stamp hereCollector of Internal
Revenue

State of California

County of Los Angeles

} ss:

TRUST NO. 123 B. N. S.—
MERCHANTS TRUST COM-
PANY TRUSTEE(Name of taxpayer or purchaser
of stamps.)

TYPE OR PRINT

660 South Spring Street,
(Residence—give street and number as
well as city or town and state.)
Los Angeles, California.

(Business address.)

This deponent, being duly sworn according to law, deposes and says that this statement is made on behalf of the taxpayer named, and that the facts given below with reference to said statement are true and complete:

Period	Year
From: Dec. 31	1927
To: Jan. 1	1929

1. Business in which engaged Subdivision
2. Character of assessment or tax Income tax
(State for or upon what the tax was assessed or the stamps affixed.)
3. Amount of assessment or stamps purchased \$5712.65
4. Reduction of Tax Liability requested
(Income and Profits Tax)..... \$5712.65
5. Amount to be abated..... \$
6. Amount to be refunded (or such greater amount as is legally refundable).....\$5712.65
7. Dates of payment (see Collector's receipts or indorsements of canceled checks).....
(If statement covers income tax liability, items 8-11, inclusive, must be answered.)
8. District in which return (if any) was filed Sixth District
9. District in which unpaid assessment appears.....
10. Amount of overpayment claimed as credit \$
11. Unpaid assessment against which credit is asked; period fromto..... \$

Deponent verily believes that this application should be allowed for the following reasons:

The above amount does not include interest in the amount of \$28.56 representing interest at 6% on said \$5712.65 for one month on account of an extension of thirty days allowed by the Collector. Claim for refund of this amount is also made herewith.

The Commissioner has erroneously determined this trust to be taxable as an association. This trust constitutes a joint venture and is not taxable as an association for the calendar year 1928 or for any other year. In addition, the Commissioner has erroneously determined that there was a measure of profit or loss accrued to the trust from the sale of each lot and included the same in the gross income.

(Attach additional sheets if necessary.)

Signed: MERCHANTS TRUST COMPANY, Trustee,

By: H. H. Ashley, (Sgd)
Vice President.

L. S. Colyer (Sgd)
Secretary

Sworn to and subscribed before me this 17th day of April, 1929

Emil Barud (Sgd)

Notary Public in and for the County of Los Angeles,
State of California.

(Title.)

(This affidavit may be sworn to before a Deputy Collector of Internal Revenue or Revenue Agent without charge.)

and shall face the front line of the lot; that no such residence, nor any projection thereof, other than the front steps, shall be less than twenty-five feet from the front line, nor shall the same be less than four feet from either side line; that no outbuilding shall be occupied as a dwelling until a residence be in process of erection upon said premises, nor for a period of time longer than is reasonably necessary for the completion of such residence.

That all buildings and fences shall be of new material and, if frame, be painted or stained at least two coats upon completion.

The foregoing stipulations and conditions shall terminate January 1st, 1950, and thereafter be of no further force or effect.

Said premises shall never be conveyed to, or come into the possession of, any person except of the Caucasian race, nor be occupied by such person unless in the employ of the owner or his tenant residing thereon.

The foregoing stipulations and conditions shall be deemed to be covenants running with the land in favor of the Grantor and the breach of any of the same shall cause said premises to revert to the Grantor, its successors and assigns, each of whom, respectively, shall have the right of immediate re-entry upon said premises.

The breach of any of the foregoing stipulations and conditions, or any re-entry by reason of such breach, shall not defeat or render invalid the lien of any mortgage or deed of trust made in good faith and for value; however, the breach of any of said stipulations or conditions or the continuance of any such breach may be enjoined, abated or remedied by appropriate proceedings, and each of the foregoing stipulations and conditions shall be, at

all times, in full force and effect as against any owner of said premises, or any part thereof, whether such ownership be acquired by purchase, foreclosure, devise, inheritance or in any other manner.

IN WITNESS WHEREOF, the said Merchants National Trust and Savings Bank of Los Angeles has caused this deed to be executed by its officers thereunto duly authorized, this day of

MERCHANTS NATIONAL TRUST AND SAVINGS
BANK OF LOS ANGELES

By-----

Vice-President.

By-----

Asst. Cashier.

STATE OF CALIFORNIA, }
COUNTY OF LOS ANGELES } ss.

On this day of 19 ,
before me a Notary Public
in and for said County and State, residing therein, duly
commissioned and sworn, personally appeared

known to me to be the Vice-President, and

known to me to be the

Assistant Cashier of Merchants National Trust and Savings Bank of Los Angeles, the corporation that executed the within instrument, and known to me to be the persons who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Notary Public in and for said County and State.

Lot No.....

Tract 4988

Trust No. 123-B N. S.

DEED

MERCHANTS NATIONAL TRUST AND SAVINGS
BANK OF LOS ANGELES
TO

Dated

MERCHANTS NATIONAL TRUST AND SAVINGS
BANK OF LOS ANGELES

A consolidation of Hellman Commercial Trust and Sav-
ings Bank and the Merchants National Bank
of Los Angeles.

650 South Spring Street, Los Angeles, Cal.

When recorded, please mail this deed to

Ex. F.

NOTICE: Assignments must be executed in duplicate
and both copies presented to the Trustee for endorsement;
one copy for the Trustee and one copy for the Assignee

ASSIGNMENT OF BENEFICIAL INTEREST

FOR VALUE RECEIVED,

.....do hereby assign,
transfer and set over unto.....
an undivided..... (.....)
Interest (the same being.....of.....entire

Interest) in and to that certain Declaration of Trust issued by the..... under its Trust No. which said Declaration of Trust covers the following described property, to-wit:

AND.....do also hereby assign, transfer and set over unto said..... an undivided (.....) interest (the same being of entire Interest) in and to the proceeds and avails arising or growing out of the said Declaration of Trust No....., and do hereby authorize the said Merchants Trust Company to pay and turn over unto said..... all moneys and benefits growing out of the said Interest hereby conveyed.

This assignment is made, however, subject to all of the terms and conditions of said Declaration of Trust No.....

Dated.....19.....

.....

ASSIGNEE'S ACCEPTANCE

.....
 do hereby accept the above Assignment to..... of said undivided..... (.....) interest in and to said Declaration of Trust No....., and do also hereby agree

to and do approve, ratify and confirm the said Trust agreement in all particulars.

Dated.....19.....

.....
Address.....

.....
Address.....

TRUSTEE'S ENDORSEMENT

The duplicate of this Assignment filed in the Trust Department of the Merchants Trust Company this..... day of, 19.....

MERCHANTS TRUST COMPANY

.....Asst. Cashier

TRUST NO.....

ASSIGNMENT OF BENEFICIAL INTEREST

.....

.....

TO

.....

.....

Dated.....19.....

Ex. G.

COLLATERAL ASSIGNMENT OF BENEFICIAL
INTEREST UNDER TRUST

THIS AGREEMENT, Made in duplicate this..... day of A. D. 192.....
BETWEEN
..... Assignor.....

MERCHANTS TRUST COMPANY, and having its principal place of business in Los Angeles, California, the Trustee, and

..... Payee.....

WITNESSETH: THAT WHEREAS, said Assignor
.....indebted to said Payee..... in the sum of
..... Dollars

and ha..... agreed to pay the same, with interest, according to the terms of.....promissory note....., given by

for said amount, dated.....due.....
with interest at.....per cent, per annum, payable
.....in favor of said Payee.....

NOW, THEREFORE, for the purpose of securing the payment thereof, and also to secure the repayment of such additional sums, with interest thereon, as may be hereafter borrowed and received by said Assignor..... from said Payee..... and evidenced by another promissory note or notes or otherwise, or advanced by said Payee..... to protect his interests hereunder, said Assignor..... do..... by these presents hereby assign, transfer and set over unto said Trustee an undivided..... interest in and to that certain Declaration of Trust issued by the said..... under its Trust No....., affecting that certainproperty, described as follows:

Together with a like interest in and to the proceeds and
avails arising or growing out of said Trust, and hereby
authorize..... said Trustee to pay and turn over unto said
Payee..... all moneys and benefits growing out of said
interest hereby assigned as a payment on the aforesaid
indebtedness, subject to all of the terms and conditions
of said Declaration of Trust.....

Upon full payment of the indebtedness aforesaid to-
gether with all other sums secured or intended to be
secured hereby and upon delivery to said Trustee of
written notice from the holder..... of said note....., or
other evidences of indebtedness as hereinabove referred
to and of the full payment thereof and upon the sur-
render of the said note..... or other evidences of indebted-
ness to said Trustee for cancellation, and upon payment
on demand of all other sums secured or intended to be
secured hereby, then said Trustee shall re-assign to said
Assignor..... the interest in said Trust hereby assigned.

If default should be made in the payment of any sums
of principal or interest secured hereby when due, then
said Trustee on written demand of the holder of said
note..... or other evidences of indebtedness, but without
the necessity of making demand on said Assignor..... for
the payment thereof, shall sell the interest in said Trust,
or such part thereof as it shall deem necessary to sell in
order to pay the same.

Such sale shall be made in the following manner, namely:

Said Trustee shall publish notice of the time and place of such sale, with a description of the interest in said Trust to be sold, at least once a week for three successive weeks in some newspaper published in the City of Los Angeles, California, and may from time to time postpone such sale by publication of a notice of postponement in the same newspaper in one issue only prior to the date of the sale fixed by said notice of postponement, or at its option, by public announcement thereof at the time and place of sale so advertised; and on the day of sale so fixed said Trustee may sell said interest or any portion thereof at public auction, to the highest bidder for cash in gold coin, and after such sale and after due payment made, said Trustee shall execute and deliver to the purchaser or purchasers an assignment or assignments of the interest or interests in said Trust so sold to such purchaser or purchasers, subject to all of the terms and conditions thereof.

AND out of the proceeds of such sale or sales shall pay:

First: The costs, fees, charges and expenses of such sale.

Second: The amount due and unpaid on said note..... or other evidences of indebtedness, with interest accrued thereon.

Third: Any additional sums, with interest accrued thereon, borrowed by said Assignor.... from said Payee....., evidenced by another note or notes, or other evidences of indebtedness, as hereinbefore provided.

And, lastly, the balance, if any, to the order of the said Assignor.....

In the event of a sale of said interest, or any part thereof, and the execution of any assignment or assignments therefor, then the recitals therein of default, publication of notice of sale, demand that such sale should be made, postponement of sale, terms of sale, sale, purchaser, payment of purchase money, and any other fact affecting the regularity or validity of such sale shall be conclusive proof of such facts.

Demand, presentment, notice, protest and notice of protest are hereby waived.

.....
.....
.....

—

PAYEE'S APPROVAL

I

We,
the Payee..... in the above described Note..... do.....
hereby agree and do..... approve, ratify and confirm the
foregoing Assignment and the said Trust Agreement in
all its particulars.

Dated.....A. D. 192.....

.....
.....

TRUSTEE'S ENDORSEMENT

The foregoing Trust is hereby accepted and the duplicate of this Assignment filed in the Trust Department of the Merchants Trust Company this.....day of , A. D. 192.....

MERCHANTS TRUST COMPANY

By.....
Trust Officer.

—

TRUST NO.....

COLLATERAL ASSIGNMENT OF BENEFICIAL
INTEREST

.....
.....

TO

.....
.....

DATED

MERCHANTS NATIONAL TRUST AND SAVINGS
BANK OF LOS ANGELES

A consolidation of Hellman Commercial Trust and
Savings Bank and the Merchants National
Bank of Los Angeles

EX. H.

COPY

TRUSTEE'S CERTIFICATE OF BENEFICIAL
INTEREST UNDER TRUST

This is to certify that FRANCISCO and ELLINGTON, Incorporated, a corporation, is the owner of an undivided ten one hundred fiftieths (10/150ths) beneficial interest in and under that certain Declaration of Trust issued by the Merchants Trust Company, a corporation organized and existing under the laws of the State of California, under its Trust No. 123B-N.S., under which the following described property is held in trust by said Trust Company subject to the terms of the Declaration of Trust issued by it in connection therewith, and that the said FRANCISCO and ELLINGTON, Incorporated, a corporation, is entitled to ten one hundred fiftieths (10/150ths) of the proceeds realized from the sale of said property in accordance with the provisions of said Declaration of Trust, said property being described as follows:

Lots One (1) to Three Hundred seventy-five (375) inclusive, and lots Five hundred eighty-seven (587) to Eight hundred ninety-six (896) inclusive, in Tract 4988 as per map of said Tract recorded in Book 54, pages 98 and 99 of Maps, Records of Los Angeles County, California.

In Witness Whereof, the MERCHANTS TRUST COMPANY, has caused this Certificate to be duly executed by its Secretary, thereunto duly authorized, this 13th day of April, 1923.

MERCHANTS TRUST COMPANY.

By.....

Secretary.

Ex. I

NOTICE

You are hereby notified, as holder of a..... beneficial interest in and to Declaration of Trust 123-b N. S. of Hellman Commercial Trust and Savings Bank, commonly referred to as the "Tatum Trust", that the Trustee has been advised that the sum of \$77,879.94 is now due and payable to Francisco and Ellington, for certain street work which has been done on said property, and bill therefor regularly approved by the agent or attorney in fact appointed under the Declaration of Trust.

The sum of \$75,000.00 of said amount is being demanded therefore by said Francisco and Ellington from the owners of the property.

Said Declaration of Trust provides that the buyers severally bind themselves to pay as and when due all sums, in proportion to their respective beneficial interest necessary for the subdivision and improvement of said property, and that such sums are payable immediately by said buyers upon demand made upon them by the Trustee, together with interest thereon from the date of said demand.

In accordance with the terms of said Declaration of Trust, demand is hereby made upon you for the sum of \$....., being the pro rata amount for which your interest is liable, in order to pay Francisco and Ellington, Incorporated, said \$75,000 on account of said demand.

Said payment should be made to Hellman Commercial Trust and Savings Bank on or before March 10, 1924.

Said Declaration of Trust provides that in the event any Buyer or syndicate owner under said Trust shall fail to pay his proportionate share of such amounts as may be due and payable as aforesaid, any other beneficiary under said trust may pay the same, and demand that the Trustee sell the interest of such defaulting Buyer, in accordance with the terms and provisions of sale set forth in said Declaration of Trust.

Ex. J.

-1-

TRUST #123 B N. S.

PAYMENTS MADE BY TRUSTEE FOR IMPROVE-
MENTS ON TRACT AS SHOWN IN
TRUSTEE'S RECORDS:

TO FRANSISCO AND ELLINGTON—CONSTRUC-
TION WORK:

<u>Year:</u>	<u>Amount:</u>
1922	\$22,118.13
1923	26,055.51
1924	96,285.29
1925	4,469.76
	<hr/>
Total	\$148,928.69

TO C. C. C. TATUM—IMPROVEMENTS:

<u>Year:</u>	<u>Amount:</u>
1923	\$122,456.79
1924	10,000.00
1926	215.00
	<hr/>
Total	\$132,671.79

TO R. J. LASHBROOKE—ENGINEERING
SERVICE:

<u>Year:</u>	<u>Amount:</u>
1922	\$ 2,276.33
1923	4,754.00
1924	932.68
1925	337.00
1926	3,450.00
	<hr/>
Total	\$ 11,750.01

TRUST #123 B-N. S.

-2-

SUMMARY OF RECEIPTS AND DISBURSE-
MENTS 1922, AS PER TRUSTEE'S RECORDS:

Cash on hand at inception—Preliminary Escrow	\$4,450.00
--	------------

RECEIPTS:

Collection on sales	142,929.97
	<hr/>
Total	\$147,379.97

DISBURSEMENTS:

Commission	\$25,021.80	
Interest	15,845.68	
Trustee fees	3,082.81	
Discount	816.06	
Paid on indebtedness	54,700.00	
Improvements	40,961.10	
Misc. expense	5,663.20	146,090.65
	<hr/>	
Cash on hand Dec. 31, 1922		\$ 1,289.32

LOT
RECORD OF ~~LATE~~ SALES:

Number of lots in Tract at inception of Trust	685
Number of lots sold in 1922	134
	<hr/>
Number of lots unsold Dec. 31, 1922	551

TRUST #123 B-N. S. -3-

SUMMARY OF RECEIPTS AND DISBURSEMENTS 1923, AS PER TRUSTEE'S RECORDS:

Cash on hand Jan. 1, 1923	\$ 1,289.32
---------------------------	-------------

RECEIPTS:

Collections on sales	\$457,515.30	
Deposits by beneficiaries	15,832.61	
Taxes collected	197.02	
	<hr/>	473,544.93
		<hr/>
Total		\$474,834.25

DISBURSEMENTS:

Interest paid	\$ 11,944.92	
Taxes paid	4,520.87	
Commission paid Smith	38,890.02	
Commission paid Tatum	88,479.42	
Trustees fees	5,834.17	
Title charges	756.71	
Paid on indebtedness	139,000.00	
Improvements	176,500.71	
	<hr/>	465,926.82
		<hr/>
Balance Dec. 31, 1923		\$ 8,907.43

LOT

RECORD OF ~~LATE~~ SALES:

Number of lots unsold Jan. 1, 1923	551
Number of lots sold, 1923	402
	<hr/>
Number of lots unsold Dec. 31, 1923	149

Galen H. Welch, Collector, etc. 111

RECORD OF LOT SALES:

Number of lots unsold Jan. 1, 1924	149
Number of lots sold, 1924	33
	<hr/> 116
Number of lots repossessed 1924	4
	<hr/> 120
Number of lots resold 1924	1
	<hr/> 119
Number of lots unsold Dec. 31, 1924	

TRUST #123 B-N. S. -5-

SUMMARY OF RECEIPTS AND DISBURSEMENTS 1925, AS PER TRUSTEE'S RECORDS:

Cash on hand Jan. 1, 1925 \$ 36,519.89

RECEIPTS:

Collections on sales	\$407,419.78	
Interest	20,483.04	
Refunds on water connections	875.00	
Refunds on gas and electric connections	2,545.00	
Deposit by beneficiaries	2,500.00	
	<hr/>	433,822.82
Total		<hr/> \$470,342.71

DISBURSEMENTS:

Commission	\$ 69,544.35
Taxes	3,416.16
Title expense	2,947.90
Trustee's fees	8,106.85
Assessments	639.36

112 *Merchants Trust Company, Trustee, vs.*

Discount	5,212.50	
Attorneys fees	2,960.00	
Improvements	8,152.67	
Paid to beneficiaries	360,000.00	
	<hr/>	460,979.79
		<hr/>
Cash on hand Dec. 31, 1925		\$ 9,362.92

RECORD OF LOT SALES:

Number of lots unsold Jan. 1, 1925	119
Number of lots sold 1925	20½
	<hr/>
	98½
Number of lots resold 1925	1
	<hr/>
Number of lots unsold Dec. 31, 1925	97½

TRUST #123 B-N. S. -6-

SUMMARY OF RECEIPTS AND DISBURSEMENTS 1926, AS PER TRUSTEE'S RECORDS:

Cash on hand Jan. 1, 1926 \$ 9,362.92

RECEIPTS:

Collection on sales	\$169,503.40
Interest	11,470.77
Taxes	172.26
Buyers costs	134.70

Assessments	28.44	
Liberty bond interest	61.50	
Refund of deposits	2,675.62	
	<hr/>	184,046.69
Total		<hr/> \$193,409.61

DISBURSEMENTS:

Commission	\$ 59,654.42	
Amount invested in Trust Deed notes	1,750.00	
Taxes	4,397.14	
Title expense	1,246.30	
Trustee's fees	4,364.38	
Discount	600.00	
Miscellaneous	1,368.95	
Assessments	5,564.07	
Special income tax service	600.00	
Improvements made	4,924.00	
Amount paid to beneficiaries	100,000.00	
	<hr/>	184,469.26
Cash on hand Dec. 31, 1926		<hr/> \$ 8,940.35

RECORD OF LOT SALES:

Number of lots unsold Jan. 1, 1926	97½
Number of lots sold, 1926	34
	<hr/>
Number of lots unsold Dec. 31, 1926	63½

TRUST #123 B-N. S.

-7-

SUMMARY OF RECEIPTS AND DISBURSEMENTS 1927 AS PER TRUSTEE'S RECORDS:

Cash on hand Jan. 1, 1927	\$ 8,940.35
---------------------------	-------------

RECEIPTS:

Collection on sales	\$123,944.50	
Interests	15,433.17	
Refund by So. Calif. Gas Co.	9,644.32	
	<hr/>	149,021.99
Total		<hr/> \$157,962.34

DISBURSEMENTS:

Commissions	\$ 18,596.76	
Interest	7.49	
Taxes	4,004.97	
Title expense	462.98	
Trustee fees	3,283.74	
City Bond Finance	5.00	
Miscellaneous expense	534.53	
Special tax and assessment service	567.00	
Assessments	173.55	
Amount paid to beneficiaries	95,000.00	
	<hr/>	122,636.02
Cash on hand Dec. 31, 1927		<hr/> \$ 35,326.32

RECORD OF LOT SALES:

Number of lots unsold Jan. 1, 1927	63½
Number of lots sold 1927	15
	<hr/>
	48½
Number of lots repossessed 1927	1
	<hr/>
Number of lots unsold Dec. 31, 1927	49½

TRUST #123 B-N. S.

-8-

SUMMARY OF RECEIPTS AND DISBURSEMENTS 1928 AS PER TRUSTEE'S RECORDS:

Cash on hand Jan. 1, 1928 \$ 35,326.32

RECEIPTS:

Collection on sales	\$61,333.68	
Interest	10,145.12	
imp		
Interest on un founded funds	900.00	
	<hr/>	72,378.80
Total		<hr/> \$107,705.12

DISBURSEMENTS:

Repurchase of real estate loan	\$ 1,000.00
Interest on loan	56.97
Commissions	1,540.00
Taxes	4,673.26
Title expense	471.00
Trustee fees	1,756.45

Legal fee	10.75	
Light maintenance	310.06	
Miscellaneous expense	50.00	
Income tax service	2,520.00	
Discount	130.00	
Assessments	2.10	
Special assessment service	58.50	
Street bonds, principal and interest	3,895.00	
Weed cleaning	220.64	
Balance due on L. 363	33.61	
L. McGunn for equity in T. D.		
Lot 363	231.55	
Amount paid to beneficiaries	90,900.00	
	<hr/>	107,859.89
		<hr/>
Overdraft Dec. 31, 1928	\$	154.77

RECORD OF LOT SALES:

Number of lots unsold Jan. 1, 1928	49½
Number of lots sold 1928	3
	<hr/>
Number of lots unsold Dec. 31, 1928	46½
Number of lots repossessed 1930	1
	<hr/>
Number of lots unsold Dec. 31, 1930	47½

TRUST #123-B N. S.

RECORD OF ASSIGNMENTS OF BENEFICIAL INTERESTS AS RECORDED ON TRANSFER RECORDS OF TRUSTEE.

-9-

[illegible]

TRUST #123-B N. S.

RECORD OF ASSIGNMENTS OF BENEFICIAL INTERESTS AS RECORDED ON TRANSFER RECORDS OF TRUSTEE (CONTINUED)

-10-

		ORIGINAL														BENEFICIAL							
		ISSUE OF	TRANSFERS TO 12/31/23			TRANSFERS 1924				TRANSFERS 1925				TRANSFER 1926				TRANSFER 1928				INT.	
		BENEFICIAL				PUR.	NO. OF				PUR.	NO. OF				PUR.	NO. OF				NO. OF OWNED		
NAME OF BENEFICIARY:		INTERESTS	DATE	KEY	OR SALE	INT.	DATE	KEY	OR SALE	INT.	DATE	KEY	OR SALE		DATE	KEY	OR SALE	NO. OF	DATE	KEY	OR SALE	KEY 12/31/28	
21.	R. D. Stratton	0	9/5/22	20	+	20																0	
			10/20/22	1	—	20									DATE	KEY	OR SALE	KEY					
22.	C. M. Staub	0	9/5/22	20	+	20																20	
23.	Genevieve V. Lynch	0	10/10/22	3	+	60																0	
			10/10/22	20	—	60																	
24.	A. R. McConigle	0	10/28/22	12	+	120																60	
			11/3/22	20	—	60																	
26.	M. C. Marsh, Jr.	0	11/28/22	19	+	30																30	
27.	Emma Van Loon	0					2/1/24	6	+	60												0	
							2/10/24	4	—	60													
								2														0	
29.	H. H. Cotton Estate Co.						6/15/24	30	+	120												120	
30.	Victoria L. Catton	0	1/20/23	2	+	60	6/15/24	29	—	60												0	
31.	Fransisco & Ellington, Inc.		2/6/23	13	+	120					3/14/25	34	—	40								0	
											3/14/25	35	—	40									
											3/14/25	13	—	40									
34.	Herbert Fransisco	0									3/14/25	31	+	40					2/3/28	45	—	40	40
																		7/24/28	45	+	40		
35.	William T. Ellington	0									3/14/25	31	+	40								40	
36.	Isabel K. Carrol	0									5/27/25	5	+	120								0	
											5/27/25	37	—	120									
37.	J. A. & Alice Le Daux										5/27/25	36	+	120								120	
39.	Neal Rasmussen	0									6/25/25	20	+	95	11/19/26	43	—	95				0	
43.	Lucy Causon Rasmussen	0													11/19/26	39	+	95				95	
45.	Seaboard Surety Corp.	0																	2/3/28	34	+	40	0
																		7/24/28	34	—	40		
	Total	1800		11		630		5		285		6		455		1		95		2		80	1800

	TRANSFERS	NO.	INTERESTS
INCEPTION TO 12/31/23		11	630
YEAR	1924	5	285
	1925	6	455
	1926	1	95
	1928	2	80
		—	—
Total		25	1545

	<u>EXPLANATION</u>
Key —	Refers to number of beneficiary
+	Interests purchased
—	Interests sold

Ex K1

C. C. C. TATUM

Realtor

Suite 636 Merchants National Bank Building

Los Angeles, Cal. 4/28/22

Hellman Commercial Trust & Savings Bank,

Attention Mr. T. K. Hulme,

Los Angeles, California.

Gentlemen:

In connection with the purchase of 136.5346 acres on Wilshire Boulevard, being in the Rodeo Land and Water Company Syndicate, another syndicate being formed by C. C. C. Tatum, would say that they are purchasing the property for \$320,785.00, payable \$50,000.00 cash and \$50,000.00 or more per year, with interest at six per cent on deferred payments, payable semi-annually.

They are purchasing the property subject to all the conditions and restrictions contained in the contract between the Rodeo Land and Water Company and the Hellman Bank, and all the conditions, restrictions and reservations contained in the Declaration of Trust between the Rodeo Land and Water Company and the Hellman Commercial Trust and Savings Bank both as regards to reservations and regards to conditions of subdivision and requirements for street work bonds.

That a subdivision trust is to be created with your Bank and a schedule of release prices filed with map upon the execution of declaration by yourself.

Yours truly,

H. H. COTTON (Signed)

HHC:M

COPY

K 2

Los Angeles, Cal., 6/27/22

T. K. Hulme, Trust Officer,
Hellman Commercial Trust & Savings Bank,
Sixth and Main Streets,
Los Angeles, California.

Dear Mr. Hulme:

Regarding Tract #4988 of which you are the Trustee, will say that we have decided to place the building restriction on all residence lots at \$3000.00, no limit as to height, and to set back 25 ft. from the property line; no temporary buildings allowed; all buildings to be built of new material; no buildings to be moved on the ground without written approval of the manager of the tract; business buildings to be fairly worth \$3000.00; property to be sold to or occupied only by the White or Caucasian race, except in the cases of servants; business buildings will be permitted on the Wilshire frontage, the Preuss Road frontage and on the new boulevard that is to run North or South at or near the Easterly side of the tract. Limit the time of restrictions until 1950.

The Ford-Fletcher Company is doing our printing and in as much as they have agreed to buy property from us in the tract, we wish you would give them the printing of all contracts and deeds necessary for this tract. I should think about 1500 contracts would be sufficient and about 750 deeds, as we have 685 lots.

Thanking you in advance, I am

Sincerely yours,

C. C. C. TATUM

C. C. C. TATUM

K 3

Realtor

Suite 636 Merchants National Bank Building

Los Angeles, Cal., 6-30-22.

Hellman Commercial Trust & Savings Bank,
Attention T. K. Hume, Trust Officer,
Los Angeles, California.

Gentlemen:

Herewith will be handed you bill for surveying etc.
for the Wilshire Boulevard Syndicate, your Trust 123-B,
to J. P. Lashbrooke for \$457.51 which you will kindly
pay to Mr. Lashbrooke out of the funds on hand and
charge to said Syndicate.

Thanking you very much, I am

Sincerely yours,

(Signed) C. C. C. Tatum.

CCCT:M

COPY

K 4

Los Angeles, November 17, 1922.

Hellman Commercial Trust & Savings Bank,
Los Angeles, Cal.

Trust 123B N.S.

Gentlemen:

You have on hand in Escrow 9261 the sum of \$5000.00
from the proceeds of the sale to Pacific Ready Cut Homes,
Inc. and as there is interest due the Sellers in said Trust
of some \$8000.00, and you have on hand today some
\$3000.00, that can be used for this purpose; I am hand-

ing you herewith my personal check for \$4974.00 which you will use to pay this interest immediately.

Also, you will kindly pay to me said \$5000.00 you now hold in escrow as this check is a loan less interest for one month at 6% and revenue stamp for \$1.00; in other words, I have used my own credit so as not to jeopardize the interest of my syndicate.

Very Truly yours,

C. C. C. TATUM

COPY

K 5

Los Angeles, California, November 24, 1922.

Hellman Commercial Trust & Savings Bank,
City.

Trust 123B—N.S

Gentlemen:

Herewith I hand you a bill dated November 20th showing an indebtedness of \$2279.00 to Francisco and Ellington.

You are directed to transfer \$1200.00 from the agent's account to buyer's account and to issue your check payable to the Merchants National Bank for the account of Francisco and Ellington in the sum of \$2279.00.

Very truly yours,

R. M. HULTS.

COPY

K 6

Los Angeles, Cal. Jan. 10, 1923.

Hellman Commercial Trust & Savings Bank,
6th & Main Sts.,
Los Angeles, Calif.

Attention Mr. J. H. H. Scales, Trust Dept.

Gentlemen:

We wish to make a change in the restrictions on our
Wilshire Boulevard Tract, known as Tract #4988.

On all lots on the North side of
Wilshire Blvd.,
Hamel Drive,
Willaman Drive
Stanley Drive
LeDoux Rd.,

the restrictions will be single private residence, cost to
be fairly worth for labor and material, not less than
\$4500.00.

That restriction take in

Lots 61 to 97 inc.,
194 " 144 "
202 " 250 "
257 " 309 "

Thanking you for many past favors, I am

Yours very truly,

R. M. HULTS
WITH C. C. C. TATUM

RMH.H

K 7

Loans

Phones: Automatic 13303.

Insurance

Main 3303.

C. C. C. TATUM

Realtor

Suite 636 Merchants National Bank Building

Los Angeles, Cal., 2/19/23.

Hellman Commercial Trust & Savings Bank,

Attention Mr. J. H. H. Scales,

Los Angeles, California.

Gentlemen:—

In re: Trust 123-B N. S.

Please draw check payable to the Southern California Edison Company for \$5,882.00 for electric poles in Tract 4988 and charge same to the improvement account.

Yours truly,

CCC:M

(Signed) C. C. C. Tatum

K 8

February 23rd, 1923.

Southern California Edison Company,
Santa Monica, California.

Gentlemen:

Our Trust 123 B. N S

Attention: Mr. Neeland

Herewith enclosed, please find agreement mentioned in our letter to you of the 20th, which we failed to enclose.

In your letter of the 21st. you state that, if we prefer, you will draw agreement between this bank and your-

selves in lieu of the one between Mr. Tatum and your company. Though the title to this property is in the bank, we are acting under the direction of Mr. Tatum and the other beneficiaries under said trust, and for that reason would rather have said agreement drawn as is, in its present form.

Thanking you for your courtesy, in this matter, we are

Very truly yours,

Trust Department.

F

K 9

SOUTHERN CALIFORNIA EDISON COMPANY

Santa Monica, Calif.,

February 24, 1923.

Mr. J. H. H. Scales,
Trust Department,
Hellman Bank,
Los Angeles, Calif.

Dear Sir:

Attached please find your receipt for your check made to the order of this company in the amount of \$5882.00, covering extending of our lines into the C. C. C. Tatum Tract, Beverly Hills.

Truly yours,

Southern California Edison Company,

(Signed) W. R. Neeland,

District Manager

W. R. N. E.

K 10

HELLMAN COMMERCIAL TRUST & SAVINGS
BANK

Los Angeles.

March 5th, 1923.

Hellman Bank.

Kindly make check payable to Beverly Hills Annexation Association, for \$100.00, and charge same to Buyers' account.

C. C. C. TATUM.

K 11

BEVERLY HILLS ANNEXATION ASSOCIATION

471 Beverly Drive, at Burton Way
Beverly Hills, Cal.

March 7, 1923.

Trust Department,
Hellman Bank,
6th. & Main,
Los Angeles, California.

Gentlemen:

I beg to acknowledge receipt of check in the sum of \$100 drawn in favor of the Beverly Hills Annexation Association, as per request of Mr. C. C. C. Tatum. This check was received by the Beverly Hills Realty Company and turned over to us by them.

Taking this opportunity of thanking you for your prompt attention, we beg to remain,

Yours truly,

BEVERLY HILLS ANNEXATION ASSOCIATION

By K. F. BIEHLER

KFB:D

K 12

TRUST DEPARTMENT
HELLMAN COMMERCIAL TRUST AND
SAVINGS BANK

Los Angeles,
April 16, 1926.

Elliott Harne Company,
614 South Spring St.,
Los Angeles, Calif.

Gentlemen:

Herewith please find our check in the amount of \$3228.82, same covering assessment in Tract 4988, for the improvement of Realtor Road, etc.

Kindly send receipt to this Bank, care of the undersigned.

Very truly yours,
(Signed) E. M. Evans,
Tax Clerk

K 13

March 6th, 1923.

Beverly Hills Realty Co.,
Cor. Burton & Santa Monica Blvd.,
Beverly Hills, California.

Trust 123b NS

Gentlemen:

Herewith enclosed we hand you our check in favor of Beverly Hills Annexation Association, in the sum of \$100.00, the same to be used in connection with your

130 *Merchants Trust Company, Trustee, vs.*

work in attempting to have the City of Beverly Hills annexed by the County of Los Angeles.

This check is sent you at the request of Mr. C. C. C. Tatum.

Very truly yours,

Trust Department

F

COPY

K 14

Los Angeles, Cal.

March. 31, 1923.

Hellman Commercial Trust & Savings Bank,
Los Angeles, California.

Attention: Mr. J. H. H. Scales.

Gentlemen:

On November 9th, I advanced to the Syndicate 123 B N.S. the sum of \$5000.00 so that our interest would not be in arrears to the Rodeo Land & Water Company and the Cotton Syndicate. I borrowed this money myself personally from *you* bank and I believe it is no more than fair that the syndicate should pay me the interest I have paid on this \$5000.00 from Nov. 9, 1922 to the date of the check I received (March 29th)—interest to be at the rate of 7%. I trust you will kindly make a check payable to me for this interest, and oblige.

Sincerely yours,

C. C. C. TATUM

CCCT:FLL

The interest, as we figure it, from Nov. 9, 1922 to March 29, 1923, (4 Monts, 20 Days) at 7% amounts to \$136.11.

C. C. C. T.

K 15

Loans	Phones: Automatic	13303
Insurance	Main	3303

C. C. C. TATUM 123-B N.S.

Realtor

Suite 636 Merchants National
Bank Building

Los Angeles, Cal.,
Apr. 9, 1923.

Hellman Comm'l. Trust & Savings Bank,
Los Angeles, Calif.

Attention: Mr. T. K. Hume,
Trust Officer.

Gentlemen:

Regarding the granting to the Southern California Edison Company right to erect poles and maintain same in our Tract 4988, as per the agreements and blue print hereto attached, will say it is perfectly satisfactory to me for you to sign said agreement, as this is the usual custom in matters of this kind.

Yours truly,

(Signed) C. C. C. Tatum.

COPY

K 16

Los Angeles, Calif.
October 18, 1923.

Hellman Commercial Trust & Savings Bank,
Attention Mr. E. E. Wright,
Trust Department,
Los Angeles, California.

Gentlemen: In re: Tract 4988

This is your authority to grant to the Southern California Edison Company a right of way in accordance with the attached easement and blue print.

Yours very truly,

C. C. C. TATUM

M

COPY

K 17

Los Angeles, Cal.,
Dec. 19, 1923.

Hellman Commercial Trust & Savings Bank,
Los Angeles, California.

Gentlemen: Re: Trust 123B N.S.

You will please take from the Buyers Account of the above trust all available funds and apply on my two notes, first on the unpaid balance of a \$15,000 note, said unpaid balance is about \$3600.00 and then apply on note given this day for \$10,000.00 until same is fully paid.

Yours very truly,

C. C. C. TATUM

CCCT-GC

P. S.—These notes are my personal notes for the improvement a/c.

COPY

K 18

Los Angeles, Cal.,
December 31, 1923.

Hellman Commercial Trust & Savings Bank,
6th & Main Streets,
Los Angeles, Calif.

Gentlemen: Re: Trust 123B N.S.

Out of the buyer's account of the above trust you will kindly pay half of the amounts received to Francisco & Ellington for account of street improvements and the other half kindly pay on my note dated Dec. 19th for \$10,000. This arrangement to continue from now until the first of February.

Mr. Bell has consented to this arrangement and presume you will want his OK to this memorandum.

Sincerely yours,

C. C. C. TATUM

C.C.C.T:GC.

K 19

Fransisco and Ellington, Inc.,
Engineering Contracting
132-G West Fifth Street
Phone 557-918

Los Angeles, Calif.

February 27, 1924.

Hellman Commercial Trust & Savings Bank,
6th & Main Streets,
Los Angeles, Cal.

Gentlemen:

Re: Trust 123 B—N.S. Tatum Syndicate.

The under-signed does hereby make demand upon you as Trustee of the herein above referred to trust for the

sum of \$77,879.94, as per attached statement, same being the amount now due and immediately payable on account of construction work completed by the undersigned and done pursuant to a construction contract entered into by the undersigned and with Mr. C. C. C. Tatum, as Attorney-in-Fact for the equitable owners under said Trust.

Yours very truly,

Francisco and Ellington, Inc.

By (Signed) Van R. Kelsey

VRK:JK

COPY

K 20

Los Angeles, Cal.

Feb. 27, 1924.

Hellman Commercial Trust & Savings Bank,
6th & Main Sts.,
Los Angeles, Calif.

Re: Trust 123B N.S.—Tatum Syndicate.

Gentlemen:

I am enclosing herewith letter and attached statement from Francisco & Ellington, Inc., all of which is self-explanatory.

You are hereby directed to notify the holders of the beneficial interest, such notice to be done by registered mail, of the amount for which they are respectively assessed, in order to pay \$75,000.00 on account of said demand. The assessment will be for 100% of the amount originally subscribed and paid in.

Yours very truly,

C. C. C. TATUM

CCCT:GC

COPY

K 21

Los Angeles, Cal.

March 7, 1924.

Hellman Commercial Trust & Savings Bank,
Los Angeles, California.

Gentlemen: Re: Trust 123B N.S.

You are authorized and directed to pay to Francisco
& Ellington, Inc., all moneys received on account of as-
sessment made in the above trust. Such payments to be
made to them when and as received by you.

Yours very truly,

C. C. C. TATUM

CCCT:GC

COPY

K 22

Los Angeles, Cal.

5/26/24

Hellman Commercial Trust & Savings Bank,
Attention Trust Department,
Los Angeles, California.

Gentlemen: Attention Trust No. 123B N.S.

In consideration of extraordinary and additional services
which the Trustee has rendered in connection with the
above numbered trust, you are hereby authorized and
directed to pay from the buyers account the sum of One
thousand (\$1000.00) Dollars to the Hellman Commercial
Trust and Savings Bank, as trustees fee in addition to
those provided under the trust; this money to be paid

when the monies advanced by the buyers under the said trust have been repaid to them, namely assessments for the completion of street work and the completion of the payments on the purchase price of the property.

Yours very truly,

C. C. C. TATUM

CCCT:M

COPY

K 23

Los Angeles, Cal.

May 16, 1924.

Hellman Commercial Trust & Savings Bank.

Trust 123C N.S.

On account of Mr. H. H. Cotton advancing money necessary to pay interest due May 9, please repay to him money advanced plus 5% bonus for advance out of 1st money available.

Yours, etc.

C. C. C. TATUM

COPY

K 24

Los Angeles, Calif.

September 12, 1924.

Hellman Commercial Trust and Savings Bank,
Los Angeles, California.

Gentlemen:

You will please pay to the Beneficiaries under the above mentioned trust that paid their assessment, known

as the first assessment, out of the funds of said trust and include in their payment seven per cent interest on the amount they paid from the date of their payment. This interest is to be paid when the assessment is fully returned.

Very truly yours,

C. C. C. TATUM

C. C. C. TATUM

REALTOR

636 Merchants National Bank Building.

Los Angeles, Cal.,

October 1, 1924.

Hellman Commercial Trust & Savings Bank,
Los Angeles, Calif.

In Re: TRUST #123 B & S, Tract 4988, known
as C. C. C. Tatum's Wilshire Tract.

Gentlemen:

You will please pay to the order of Francisco & Ellington the sum of \$1666.66, together with interest thereon computed at the rate of 7% per anum from February 9, 1923. This is the amount they paid to me in lieu of you for what is known as the first assessment.

Thanking you for your courtesy, I am

Very truly yours,

C. C. C. TATUM

CCCT:CS

PAID 10/14/24.

K 25

COPY

Los Angeles, Calif.

10/23/24

Hellman Commercial Trust & Savings Bank,
Sixth & Main Streets,
Los Angeles, California.

Gentlemen:

Regarding Trust 123B N.S., would respectfully ask you to sign the attached petition for paving of LaCienega Boulevard as it is necessary to have the record owner's name appear hereon.

This will cover Lots 315-336 inclusive, 338-372 inclusive, 373, 589, 590-618 inclusive, Tract 4988.

Yours very truly,

C. C. C. TATUM

CCCT:M

K 26

Fransisco & Ellington, Inc.,
Engineering Contracting
1250 West Fifth Street
Phone 557-918

Los Angeles, Calif.

March 14th, 1925.

Hellman Commercial Trust & Savings Bank,
Los Angeles, California.

Gentlemen:

We are handing you herewith certificate of Interest in and to your Trust No. 123-B—N. S. representing a ten

one hundred fiftieths (10/150ths) interest in said Trust with instructions for you to issue three certificates of interest in lieu of the one inclosed herewith, by which one *thid* ($\frac{1}{3}$) of the value of the inclosed certificate will be issued in the name of William T. Ellington, individually, Herbert Fransisco, individually, and Van R. Kelsey, individually.

Any further funds or proceeds growing out of said Trust certificate shall be divided as hereinabove indicated, and subject to the call of the individuals above named.

Yours very truly,

Fransisco and Ellington, Incorporated,

By (Signed) W. T. Ellington, Pres.

(signed) Van R. Kelsey,

Sec'y. and Treas.

(SEAL)

VRK;K

Encl.

K 27

C. C. C. TATUM

REALTOR

636 Merchants National Bank Building

Los Angeles, California.

3/27/25

Hellman Commercial Trust & Savings Bank,

Attention Mr. J. H. Bowen,

Seventh & Spring Streets,

Los Angeles, California.

IN RE: Tract 4988, Trust 123B—NS.

Gentlemen:

Will you kindly make a Deed to the City of Beverly Hills covering the Easterly 20 feet of Lots 315-340 in-

140 *Merchants Trust Company, Trustee, vs.*

clusive; the Easterly 20 feet of Lot 343; the Westerly 20 feet of Lot 344; the Westerly 20 feet of Lots 347-373 inclusive; the Easterly 20 feet of Lots 604-618 inclusive; the Westerly 20 feet of Lots 589-603 inclusive, and oblige

Yours very truly,

C. C. C. TATUM

M.

M

K 28

C. C. C. TATUM

REALTOR

636 Merchants National Bank Building

Los Angeles, Cal.

Mr. I. W. Hastings,
c/o Hellman Commercial Trust & Savings Bank,
Sixth & Main Streets,
Los Angeles, California.

Dear Mr. Hastings:

Please be notified that you are to receive no further payments on contracts in Trust 123B-NS when said payments are delinquent, without first notifying our office.

Trusting you will notify your bookkeeping department to this effect; also your contract department, I am

Yours very truly,

C. C. C. TATUM

M

M

K 29

C. C. C. TATUM

Realtor

636 Merchants National Bank Building
Los Angeles, California.

1/15/26

Hellman Commercial Trust & Savings Bank,
Attention Mr. J. H. Bowen,
Seventh & Spring Streets,
Los Angeles, California.

In re: Tract 4988.

Gentlemen:

This is your authority in connection with Trust 123B-NS, to accept my signature by Myrtle Abramson and Walter S. Jackson jointly, to any papers necessary for the sale of lots or anything else that comes up during my absence in connection with this Trust where it is necessary to have my signature.

Yours truly,

C. C. C. TATUM

CCCT:M

K 30

TRUST DEPARTMENT
HELLMAN COMMERCIAL TRUST AND SAVINGS
BANK

Los Angeles,
April 16, 1926.

Elliot Harne Company,
614 South Spring St.,
Los Angeles, Calif.

Gentlemen:

Herewith please find our check in the amount of \$3228.82, same covering assessment in Tract 4988, for the improvement of Realtor Road, etc.

Kindly send receipt to this Bank, care of the undersigned.

Very truly yours,

(Signed) E. M. Evans,

Tax Clerk

K 31

COPY

Los Angeles, California.

November 24, 1926.

Merchants National Trust & Savings Bank,

7th & Spring Sts.,

Los Angeles, California.

Attention of J. H. Bowen,

Re: Trust #123B N.S.

Gentlemen

You have in the assets of the above trust a note signed by Armand Robert being part of a second mortgage, dated either March 1923 or 1924 for \$5,000.00. As it is necessary to re-finance the property on which this \$5,000.00 mortgage is secured, and in doing so we find to put the property on a sound financial basis it will be necessary for this trust to take back a note for \$6,000.00, and I would kindly ask you to advance \$1,000.00 out of the funds of said trust, making check for this amount payable to the Title Insurance & Trust Company, who are trustees, and let me have the note you now hold, and I will secure for it a new note for \$6,000.00.

Yours very truly,

C. C. C. TATUM

CCCTLCAQ

K 32

C. C. C. TATUM

Realtor

936 Merchants National Bank Building
548 South Spring Street
Los Angeles, California

Sept. 10th, 1926.

Hellman C. T. & S. Bank,
7th. & Springs Sts.,
Los Angeles, California.

Gentlemen: Attention: J. H. Bowen:

You will please pay to W. S. Jackson the sum of One thousand (\$1,000.00) Dollars for two years services rendered in connection of our water plant on Tract #4988 and charge same to Trust #123B-N.S.

Yours truly,

C. C. C. TATUM

K 33

C. C. C. TATUM

Realtor

636 Merchants National Bank Building
548 South Spring Street,
Los Angeles, California.

September 6, 1927.

C. R. Bell, Vice-President,
Merchants National Trust & Savings Bank,
Seventh and Spring Streets,
Los Angeles, California.

Dear Charles:

Regarding Trust #123B-NS, being my Wilshire Boulevard Tract 4988 that Ham and I were talking to you

about this morning, regarding releasing some of the impounded money, and for your information would say that I have just looked over the unsold lots totalling fifty-one and I think they would retail for approximately \$600,000.00 at or about today's values—many of which we are not going to sell for some time as we think LaCienega Boulevard, where we have thirty-four unsold lots, should reach \$400.00 to \$500.00 per foot in a few years hence.

The cost of selling this property would be about \$150,000.00 for commissions, certificates, trustee's charges, and with the unpaid contracts, notes and cash I am inclined to believe we will have considerable over \$700,000.00 to distribute to the beneficiaries before we are through.

I trust you will grant the small favor we requested.
Thanks!

Sincerely yours,

C. C. C. TATUM

CCCT:M

K 34

MERCHANTS NATIONAL TRUST & SAVINGS
BANK

Date September 6, 1927

From Mr. H. H. Ashley
Vice President

Office Trust Department.

To: Mr. W. N. Holmes,
Assistant Comptroller

Office: Trust Department, 8th & Spring.

Subject: Trust 123B—C. C. C. Tatum

Assessment of Income Tax on Association
Basis.

Following your conference with Mr. Tatum yesterday, the following arrangement was made with Mr. C. R. Bell:

Of the cash amounts impounded, being the entire interest of the beneficiaries in the above trust, we will hold one-half and distribute one-half. We will keep watch at all times upon the amount of balances due upon lot contracts and notes representing unpaid portions of the purchase price of lots, so that there will be ample security in case it becomes necessary for the bank to loan the trust the difference between the amount impounded and the total demand of the Government, in order to meet the Income Tax Assessment.

This arrangement does not represent the general policy in regard to impounding money for probable income tax assessments, but will be confined to cases where the facts

justify it, and the beneficiaries have secured Mr. Bell's approval.

H. H. A.

HHA:BM

K 35

Los Angeles, California,
September 19, 1929.

Bank of America of California,
Seventh and Spring Streets,
Los Angeles, California.

To J. R. Lashbrooke, DR.

For engineering services in connection with
Tract 4988

\$75.00

Received payment.....
(Signed) J. R. Lashbrooke

O. K. for payment.

Please charge Trust #123-B—N.S.

(Signed) C. C. C. Tatum.

Ex. L
SCHEDULE OF CASH DISTRIBUTIONS
TRUST 123B-N. S.

NAME	ADDRESS	1924	1925	1926	1927	1928	TOTAL
C. C. C. TATUM	636 MCHTS. NAT'L. BANK BLDG. L. A.	17777.80	64000.08	8888.90	16888.91	16160.00	123715.69
(H. H. COTTON ESTATE	11TH FLOOR MCHTS. NAT'L. BK. BLDG.						
(CO.	L. A.	6666.70	23999.76	6666.60	6333.28	6059.98	49726.32
R. M. HULTZ	6763 SUNSET BLVD. L. A.	7777.89	11083.59				18861.48
W. M. LENZ	220 MCHTS. NAT'L. BANK BLDG. L. A.	3333.30	19999.80	6666.60	6333.30	6060.00	42393.00
DR. J. A. LE DOUX	MARSH STRONG BLDG. L. A.	6666.70	24000.11	5333.36	6333.37	6060.01	48393.55
EMMA VAN LOAN							
c/o E. LENZ	220 MCHTS. NAT'L. BANK BLDG. L. A.	3333.30	3999.96				7333.26
FLORENCE F. GIBBONS	4701 W. 12TH ST. L. A.	3333.30	12000.24	3333.40	3166.70	3030.00	24863.64
E. J. GATES ESTATE	) PACIFIC SOUTHWEST TRUST &						
c/o JUDGE WM. RHODES		6666.70	24000.11	6666.70	6333.37	6060.01	49726.89
HERVEY	) SAVINGS BANK L. A.						
ARTHUR H. RUDE	PICO & FLOWER STS. L. A.	3333.30	11999.88	3333.30	3166.63	3029.99	24863.10
BYRON H. PATTISON	202 S. KINGSLEY DRIVE, L. A.	3333.30	11999.88	3333.30	3166.63	3029.99	24863.10
TOM S. INGERSOLL	c/o L. A. REALTY BRD. 621 S. FLOWER						
	L. A.	3333.30	11999.88	3333.30	3166.63	3029.99	24863.10
W. R. MC GONIGLE	1ST ST. WHARF, SAN PEDRO, CALIF.	3333.30	11999.88	3333.30	3166.67	3029.99	24863.14
FRANCISCO & ELLINGTON	1248 W. 5TH ST. L. A.	6666.62	5999.94				12666.56
W. H. CLURE	c/o L. A. ATHLETIC CLUB. L. A. CAL.	3333.30	11999.88	3333.30	3166.62	3029.98	24863.08
ALEXANDER & CLARA							
PATTIE	R. D. #1 BOX 207, SANTA MONICA, CAL.	6666.70	24000.12	6666.70	6333.37	6060.01	49726.90
JOS. ENGERT	1029 W. VERNON, LOS ANGELES, CAL.	3333.30	11999.88	3333.30	3166.67	3029.99	24863.14
ANDY H. WILLIAMS	640 S. BROADWAY, L. A.	6666.70	24000.11	6666.70	6333.34	6060.01	49726.86
W. F. KING	c/o L. A. ATHLETIC CLUB. L. A. CAL.	1666.70	6000.12	1666.70	1583.37	1515.01	12431.90
C. M. STOUB	636 MCHTS. NAT'L. BANK BLDG. L. A.	1111.10	3999.96	1111.10	1055.56	1009.96	8287.68
M. C. MARSH, JR.	TITLE INSURANCE BLDG. L. A.	1666.69	6000.12	1666.70	1583.33	1515.01	12431.85
H. H. COTTON	11TH FLOOR MCHTS. NAT'L BANK						
	BLDG. L. A.		9000.00	2500.00	2375.00	2272.50	16147.50
V. R. KELNEY	701 HIBERNIA BLDG. L. A.		5999.95	2222.20	2111.09	2019.98	12353.22
W. T. ELLINGTON	1250 W. 5TH ST. L. A.		5999.95	2222.20	2111.09	2019.99	12353.23
NEAL RASMUSSEN	532 N. ROSSMORE, L. A.		7916.85	5277.90	5013.98		18208.73
HERBERT FRANCISCO	1250 W. 5TH ST. L. A.		5999.95	2222.20	2111.09	2019.99	12353.23
OURSELVES NOTE DEPT.	TATUM NOTE			8888.90			8888.90
" " "	LE DOUX NOTE			1333.34			1333.34
TITLE INS. & TR. CO.	c/o LUCY CARSON RASMUSSEN					4797.61	4797.61

100000.00 360000.00 100000.00 95000.00 90900.00 745900.00

WILSHIRE BLVD.—C. C. C. TATUM

SUBSCRIPTION AND BENEFICIAL ASSESSMENT

TRUST 123B-N.S.

NAME	ORIGINAL SUBSCRIPTION	FIRST ASSMTS.	SECOND ASSMTS.	INTEREST ON 1ST-ASSMT.
C. C. C. TATUM	10000.00		13333.33	
H. H. COTTON	5000.00	1666.66	5001.00	114.13
STANLEY S. ANDERSON	2500.00			
W. M. LENZ	2500.00	833.33	2500.00	92.81
J. A. LE DOUX	5000.00	1666.00	5000.00	184.59
S. M. FOLSOM ASSIGNED TO E. VAN LOON	2500.00	833.33		89.29
J. W. MC DONNELL	2500.00			
E. J. GATES	5000.00	1666.65	5000.00	185.30
ARTHUR H. RUDE	2500.00	833.33	2500.00	84.37
BYRON M. PATTISON	2500.00	833.33	2500.00	78.87

TOM S. INGERSOLL	2500.00		2500.00	
A. J. FELKER	5000.00			
W. T. ELLINGTON	5000.00			
W. H. CLUNE	2500.00	833.33	2500.00	91.21
ALEXANDER POLLIE	5000.00	1666.66	4999.99	185.62
JOS. ENGERT	2500.00	833.33	2500.00	90.89
ANDY H. WILLIAMS	5000.00	1666.67	5000.00	185.94
E. T. KEISER	2500.00			
R. M. HULTZ	2500.00	833.33	5833.33	92.49
W. F. KING (50% ASSIGNED TO M. C. MARSH JR.)	2500.00	416.67	1250.00	46.30
M. C. MARSH JR.		416.66	1250.00	46.36
W. R. MC CONIGLE		833.33	2500.00	93.45
FRANCISCO & ELLINGTON		1666.66	5000.00	196.73
FLORENCE GIBBONS			2500.00	
C. M. STAUB			833.33	
E. VAN LOON			2500.01	
	75000.00	17499.27	75000.99	1858.35

ORDER APPROVING AND SETTLING BILL OF
EXCEPTIONS

The foregoing Bill of Exceptions duly proposed and agreed upon by counsel for the respective parties, is correct in all respects and is hereby approved, allowed and settled and made a part of the record herein, and said Bill of Exceptions may be used by the parties, Plaintiff or Defendant, upon any appeal taken by either party, Plaintiff or Defendant.

DATED: February 15th, 1932.

Geo. Cosgrave

United States District Judge.

[Endorsed]: At Law No. 3811-H In the District Court of the United States for the Southern District of California Central Division Merchants Trust Company, Trustee of Trust No. 123-B N. S., Plaintiff, vs. Galen H. Welch, Collector of Internal Revenue for the Sixth Collection District of California, Defendant. Engrossed Bill of Exceptions Filed Feb 15 1932 R. S. Zimmerman, Clerk By C. A. Simmons Deputy Clerk. Miller, Chevalier, Peeler & Wilson 819 Title Insurance Building, Los Angeles, California. Attorneys for Plaintiff.

IN THE DISTRICT COURT OF THE UNITED
STATES FOR THE SOUTHERN DISTRICT
OF CALIFORNIA CENTRAL DIVISION

MERCHANTS TRUST COM-)	
PANY, Trustee of Trust No.)	
123-B N. S.,)	
)	
Plaintiff,)	
vs.)	At Law No. 3811-H
)	
GALEN H. WELCH, Collector)	
of Internal Revenue for the)	
Sixth Collection District of)	
California,)	
)	
Defendant.)	

PETITION FOR APPEAL

To the Honorable Judge of the United States District
Court, In and for the Southern District of Cali-
fornia, Central Division.

The above-named Plaintiff, feeling aggrieved by the
decree rendered and entered in the above-entitled cause on
the 5th day of February, 1932, does hereby appeal from
said decree to the Circuit Court of Appeals for the Ninth
Circuit, for the reasons set forth in the assignment of
errors filed herewith, and Plaintiff prays that this appeal
be allowed and that citation be issued as provided by law,
and that a transcript of the record, proceedings and
documents upon which said decree was based, duly au-
thenticated, be sent to the United States Circuit Court

of Appeals for the Ninth Circuit, under the rules of such Court in such cases made and provided.

And your Petitioner further prays that the proper order relating to the required security to be required of Plaintiff be made.

MILLER, CHEVALIER, PEELER & WILSON

By Melvin D. Wilson

GIBSON, DUNN & CRUTCHER

By H. F. Prince

Attorneys for Plaintiff.

[Endorsed]: At Law No. 3811-H. In the District Court of the United States for the Southern District of California, Central Division. Merchants Trust Company, Trustee of Trust No. 123-B, N. S. plaintiff, vs. Galen H. Welch, Collector of Internal Revenue for the Sixth Collection District of California, defendant. Petition for Appeal Received copy of within this 8th day of February, 1932, I. F. Parker, attorney for defendant. Filed Feb. 8, 1932 R. S. Zimmerman, Clerk by Thomas Madden, Deputy Clerk. Miller, Chevalier, Peeler & Wilson, 819 Title Insurance Building, Los Angeles, California, attorneys for plaintiff.

IN THE DISTRICT COURT OF THE UNITED
STATES FOR THE SOUTHERN DISTRICT
OF CALIFORNIA CENTRAL DIVISION

MERCHANTS TRUST COM-)	
PANY, Trustee of Trust No.)	
123-B N. S.,)	
Plaintiff,)	
vs.)	At Law No. 3811-H
GALEN H. WELCH, Collector)	
of Internal Revenue for the)	
Sixth Collection District of)	
California,)	
Defendant.)	

ASSIGNMENT OF ERRORS

Now comes the Plaintiff in the above entitled cause, and files the following assignment of errors upon which Plaintiff will rely upon its prosecution of the appeal in the above entitled cause from the decree made by this Honorable Court on the 5th day of February, 1932.

1. The Court erred in rendering judgment for Defendant on the facts found.

2. The Court erred in finding that the trust was engaged in business.

3. The Court erred in finding that the trust carried on business in the form and manner ordinarily adopted by corporations.

4. The Court erred in rendering judgment for the Defendant as a matter of law.

5. The Court erred in holding that the Trust was an association taxable as a corporation within the meaning of Section 701(a)(2) of the Revenue Act of 1928.

WHEREFORE, the Appellant prays that said decree be reversed and that said United States District Court for the Southern District of California, Central Division, be ordered to enter a decree reversing the decision in said cause.

DATED: February 6, 1932

MILLER, CHEVALIER, PEELER & WILSON

By Melvin D. Wilson

GIBSON, DUNN & CRUTCHER

By H. F. Prince

Attorneys for Plaintiff and Appellant.

[Endorsed]: At Law No. 3811-H. In the District Court of the United States for the Southern District of California, Central Division. Merchants Trust Company, Trustee of Trust No. 123-B, N. S., plaintiff, vs. Galen H. Welch, Collector of Internal Revenue for the Sixth Collection District of California, defendant. Assignment of Errors. Received copy of within this 8th day of February, 1932. I. F. Parker, attorney for defendant. Filed Feb 8-1932 R. S. Zimmerman, Clerk By Thomas Madden Deputy Clerk Miller, Chevalier, Peeler & Wilson, 819 Title Insurance Building, Los Angeles, California attorneys for plaintiff.

IN THE DISTRICT COURT OF THE UNITED
STATES FOR THE SOUTHERN DISTRICT
OF CALIFORNIA CENTRAL DIVISION

MERCHANTS TRUST COM-)	
PANY, Trustee of Trust No.)	
123-B N. S..)	
	Plaintiff,)
vs.)	At Law No. 3811-H
GALEN H. WELCH, Collector)	
of Internal Revenue for the)	
Sixth Collection District of)	
California,)	
	Defendant.)

ORDER ALLOWING APPEAL

Upon reading the Petition for Appeal of the Plaintiff and Appellant, IT IS HEREBY ORDERED that an appeal to the Circuit Court of Appeals for the Ninth Circuit, from the decree heretofore filed and entered herein, be and the same is hereby allowed, and that a certified transcript of the record, testimony, exhibits, stipulations and all proceedings be forthwith transmitted to the said Circuit Court of Appeals for the Ninth Circuit.

It is further ordered that the bond on appeal to be filed by Plaintiff be fixed at the sum of \$250.00 and the same act as a bond for cost on appeal.

DATED: February 8th, 1932.

Geo. Cosgrave

Judge

[Endorsed]: At Law No. 3811-H In the District Court of the United States for the Southern District of California, Central Division. Merchants Trust Company, Trustee of Trust No. 123-B, N. S. plaintiff, vs. Galen H.

Welch, Collector of Internal Revenue for the Sixth Collection District of California, defendant. Order Allowing Appeal. Received copy of within this 8th day of February, 1932. I. F. Parker, attorney for defendant. Filed Feb. 8, 1932 R. S. Zimmerman, Clerk by Thomas Madden, Deputy Clerk. Miller, Chevalier, Peeler & Wilson, 819 Title Insurance Building, Los Angeles, California, attorneys for plaintiff.

PACIFIC INDEMNITY COMPANY

(cut)

Los Angeles	LEE A. PHILLIPS	San Francisco
Pacific Finance Building	President	150 Sansome Street

IN THE DISTRICT COURT OF THE UNITED STATES SOUTHERN DISTRICT OF CALIFORNIA CENTRAL DIVISION

MERCHANTS TRUST CO.)	
Trustee of Trust #123 B. N. S.)	
)
Plaintiff)	
vs.)	AT LAW 3811-H
)
GALEN H. WELCH, Collector)	COST BOND ON
of Internal Revenue for the)	APPEAL
Sixth Collection District of)	
California)	
Defendant)	
-----)	

KNOW ALL MEN BY THESE PRESENTS, That PACIFIC INDEMNITY COMPANY, a corporation organized and existing under the laws of the State of

California, and duly licensed to transact business in the State of California, is held and firmly bound unto GALEN H. WELCH, Collector of Internal Revenue for the Sixth Collection District of California, in the Penal sum of TWO HUNDRED FIFTY & NO/100 (\$250.00) DOLLARS, to be paid to the said Galen H. Welch, Collector of Internal Revenue for the Sixth Collection District of California, his heirs and assigns, for which payment, well and truly to be made, the PACIFIC INDEMNITY COMPANY binds itself, its successors and assigns, firmly by these presents.

SEALED with corporate seal and dated this 5th day of February, 1932.

THE CONDITION of the above obligation is such that whereas the said Merchants Trust Co., Trustee of Trust #123 B. N. S., plaintiff in the above entitled suit, is about to take an appeal to the United States Circuit Court of Appeals for the Ninth Circuit, to reverse an order or decree made, rendered and entered on the 21st day of December, 1931, by the District Court of the United States for the Southern District of California, Central Division, in the above entitled cause.

NOW, THEREFORE, the condition of the above obligation is such that if Merchants Trust Co., Trustee of Trust #123 B. N. S., shall prosecute its said appeal to effect and answer all costs which may be adjudged against it if it fails to make good its appeal, then this obligation shall be void, otherwise to remain in full force and effect.

The premium charged for this bond is \$10.00 per annum.

PACIFIC INDEMNITY COMPANY

[Seal]

By W. C. Bening

Attorney-in-Fact.

State of California }
County of Los Angeles } ss.

On this 5th day of February in the year one thousand nine-hundred and 32 before me, ATALA M. CARTER a Notary Public in and for said County and State, residing therein, duly commissioned and sworn, personally appeared W. C. BENING known to me to be the duly authorized Attorney-in-Fact of PACIFIC INDEMNITY COMPANY, and the same person whose name is subscribed to the within instrument as the Attorney-in-Fact of said Company, and the said W. C. BENING acknowledged to me that he subscribed the name of PACIFIC INDEMNITY COMPANY thereto as principal and his own name as Attorney-in-Fact.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this Certificate first above written.

[Seal]

Atala M. Carter

Notary Public in and for LOS ANGELES COUNTY,
State of California.

My Commission Expires May 28, 1934.

[Endorsed]: 3811 H. In the District Court of the United States, Southern District of California, Central Division. Merchants Trust Co. Trustee of Trust #123 B. N. S. vs. Galen H. Welch, Collector of Internal Revenue for the Sixth District of California. Pacific Indemnity Company, Los Angeles, Pacific Finance Bldg., San Francisco 150 Sansome Street [Cut] Lee A. Phillips, President. Filed Feb. 8, 1932. R. S. Zimmerman, Clerk, by Thomas Madden, Deputy Clerk

IN THE DISTRICT COURT OF THE UNITED
STATES FOR THE SOUTHERN DISTRICT OF
CALIFORNIA CENTRAL DIVISION

MERCHANTS TRUST COM-)	
PANY, Trustee of Trust No.)	
123-B N. S.,)	
Plaintiff,)	
vs.)	At Law No. 3811-H
GALEN H. WELCH, Collector)	
of Internal Revenue for the)	
Sixth Collection District of)	
California,)	
Defendant.)	

AMENDED PRAECIPE FOR TRANSCRIPT OF
RECORD

TO the Clerk of the United States District Court, in and
for the Southern District of California, Central
Division:

Please issue a certified transcript of record in the above
entitled case on appeal to the Circuit Court of Appeals
for the Ninth Circuit, consisting of the following:

1. Bill of Complaint, omitting Exhibits "A", "B",
"C", and "D", (which Exhibits have been included in the
Engrossed Bill of Exceptions).
2. Answer to Bill of Complaint.
3. Stipulation Waiving Trial by Jury.
4. Special Findings as Allowed by Court.
5. Decision.
6. The Judgment.
7. Bill of Exceptions on Behalf of Plaintiff.
8. Petition for Appeal.
9. Assignment of Errors.

10. Order Allowing Appeal, and Order Fixing Cost Bond.

11. Cost Bond.

12. Citation on Appeal.

13. Amended Praecipe.

MILLER, CHEVALIER, PEELER & WILSON

By Melvin D. Wilson

Attorneys for Plaintiff.

Counsel for defendant does not desire to file a counter-praecipe.

Samuel W. McNabb

SAMUEL W. McNABB

United States Attorney

By Alva C. Baird

Assistant United States Attorney.

Attorneys for Defendant.

[Endorsed]: At Law No. 3811-H In the District Court of the United States for the Southern District of California Central Division Merchants Trust Company, Trustee of Trust No. 123-B N. S., Plaintiff, vs. Galen H. Welch, Collector of Internal Revenue for the Sixth Collection District of California, Defendant. Amended Praecipe for Transcript of Record Filed Feb. 17, 1932 R. S. Zimmerman Clerk By C. A. Simmons Deputy Clerk Miller, Chevalier, Peeler & Wilson 819 Title Insurance Building, Los Angeles, California.

Defendant.)

CLERK'S CERTIFICATE.

I, R. S. Zimmerman, clerk of the United States District Court for the Southern District of California, do hereby certify the foregoing volume containing 161 pages, numbered from 1 to 161, inclusive, to be the Transcript of Record on Appeal in the above entitled cause, as printed by the appellant, and presented to me for comparison and certification, and that the same has been compared and corrected by me and contains a full, true and correct copy of the citation; bill of complaint omitting Exhibits "A," "B," "C" and "D"; answer; stipulation waiving jury; special findings as allowed by the Court; decision; judgment; bill of exceptions; petition for appeal; assignment of error; order allowing appeal; cost bond and amended praecipe.

I DO FURTHER CERTIFY that the amount paid for printing the foregoing record on appeal is \$ _____ and

that said amount has been paid the printer by the appellant herein and a receipted bill is herewith enclosed, also that the fees of the Clerk for comparing, correcting and certifying the foregoing Record on Appeal amount to..... and that said amount has been paid me by the appellant herein.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the Seal of the District Court of the United States of America, in and for the Southern District of California, Central Division, this..... day of February, in the year of Our Lord One Thousand Nine Hundred and Thirty-two, and of our Independence the One Hundred and Fifty-sixth.

R. S. ZIMMERMAN,

Clerk of the District Court of the
United States of America, in and
for the Southern District of
California.

By

Deputy.

